



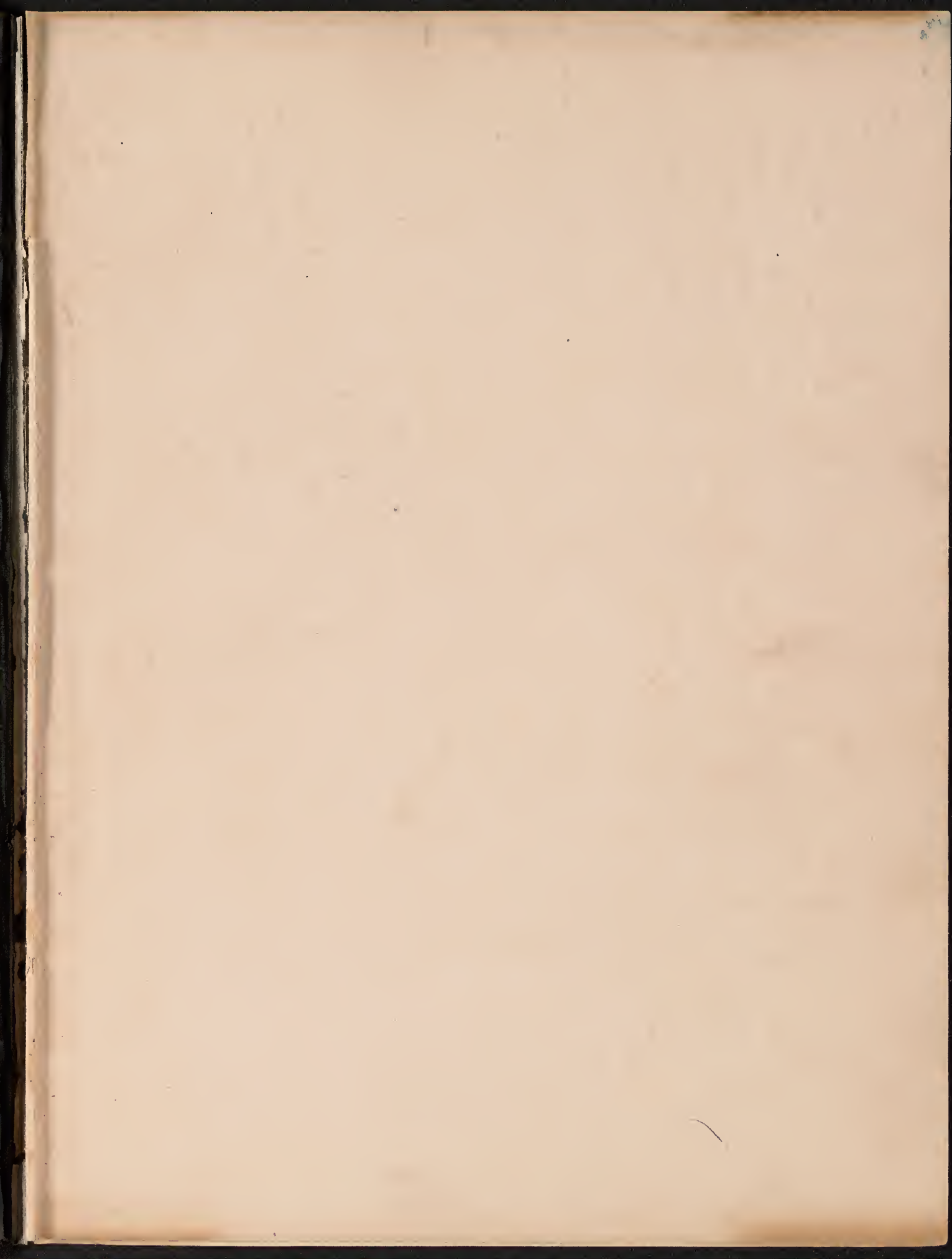


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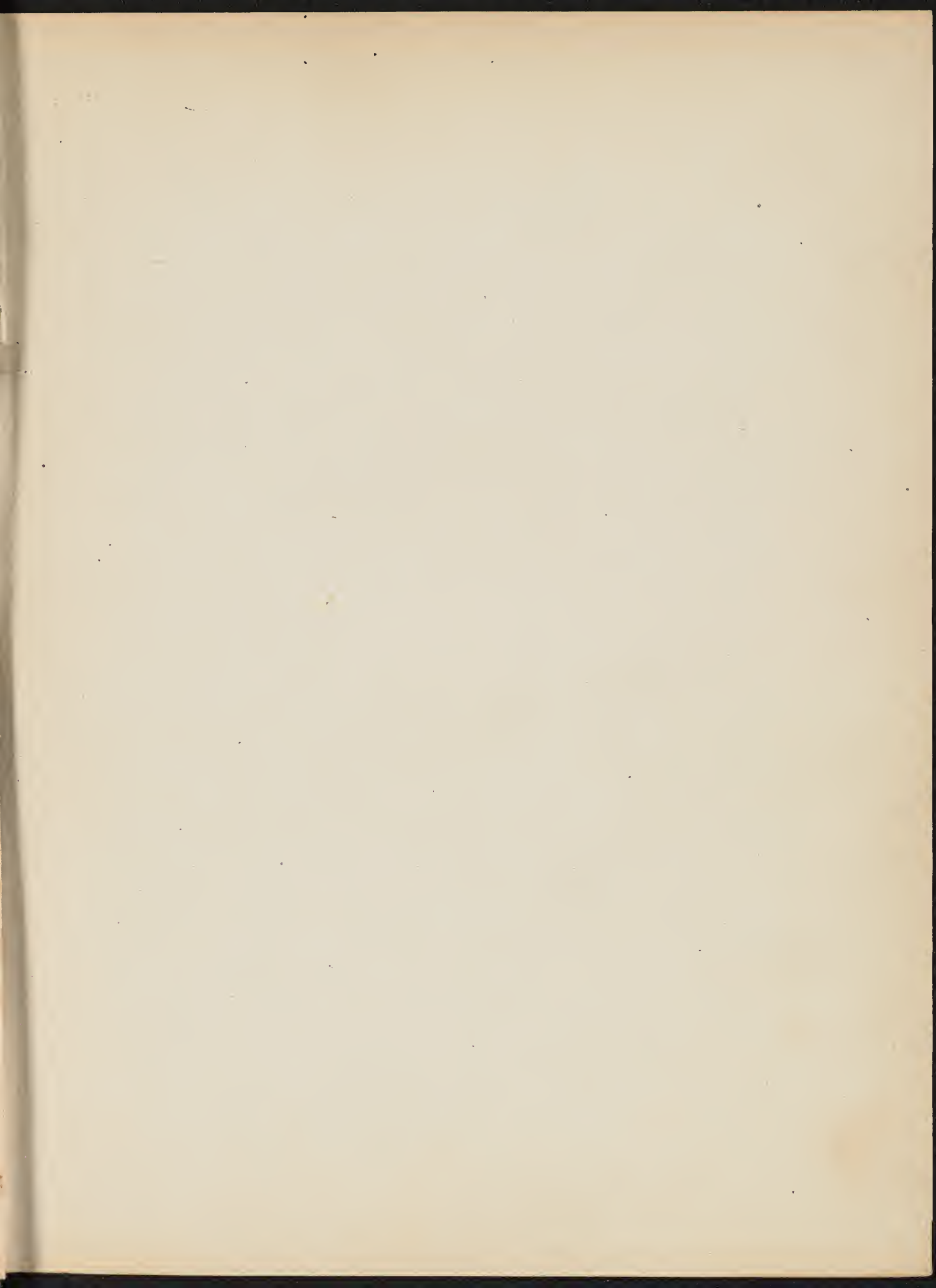


















Baltimore & Ohio. <sup>No. 3. No. 3.</sup> 2- 48. 49.  
Baltimore & Ohio Southwestern. -3-  
Brooklyn Elevated Railroad. <sup>No. 2.</sup> 34-  
Baltimore & Ohio, Pitts. Junct. & Middle Div. <sup>No. 3.</sup> 50 —  
Bay State Gas Co. of Del. <sup>No. 3.</sup> 51.  
Brooklyn Wharf & Warehouse Co. <sup>No. 3.</sup> 52.



Chicago & Northern Pacific 4-  
 Chicago Terminal Transfer, 5  
 Columbus & Hocking Coal & Iron Co. 6  
 Central Washington R. R. Co. <sup>No. 3</sup> -9-54  
 Consolidated Railroad of Vermont. <sup>No. 2</sup> -35-  
 Colorado Midland Railroad Co. <sup>No. 2</sup> -36-  
 Cincinnati, Jackson & Mackinaw. <sup>No. 1</sup> -37-  
 Chicago Gas Companies. <sup>No. 2</sup> -38-  
 Central Pacific Railroad Co. <sup>No. 3</sup> 53  
 Chicago & Grand Trunk Rwy Co. <sup>No. 3</sup> 55  
 Columbus, Hocking Valley & Toledo Rwy Co. <sup>No. 3</sup> 56  
 Continental Tobacco Co. <sup>\* 1</sup> 11  
 Consolidated Tobacco Co. <sup>\* 1</sup> 11  
 Chicago & Alton Ry Co. <sup>\* 1</sup> 13  
 Chicago Union Traction Co. <sup>\* 1</sup> 14  
 Cincinnati, Hamilton & Dayton Ry. Co. <sup>\* 1 \* 1</sup> 15. 16  
 Colorado Fuel & Iron Co. <sup>\* 1</sup> 17  
 Consolidated Cotton Duck Co. <sup>\* 1</sup> 18

Detroit, Lansing & Northern.  
Denver & Southwestern Ry. Co. 19-20.  
Detroit Southern R'd Co. 21-23-4.  
Dominion Copper Co. Ltd. 38



Erie Rail Road Co. - 10

Equitable Securities Co. - 11.

Erie Telegraph & Telephone Co. <sup>\* 11</sup> 25 —

Fort Worth + Denver City

<sup>No. 3.</sup>  
-12-57

E

F



Green Bay, Winona + St Paul, Bonds 13 -

Green Bay, Winona + St Paul, Stocks. -14-

General Chemical Co. <sup>No. 3</sup> 62

Green Bay + Western Rd Co. <sup>\* #</sup> 29

General Carriage Co. <sup>\* #</sup> 26

Havana Commercial Co. -16- -  
Houston Oil Co. <sup>#4</sup> 30-1-2

G  
H



Iron bar equipment co. -15 -

I  
J

Kings County + Fulton Elevated

-17-

Kirby Lumber Co. <sup>\* #</sup> 32

Kanaucha + Michigan Rd Co. <sup>\* #</sup> 33-4



Louisville, Evansville & St Louis Cons.	-18-	<sup>No. 3</sup> 58
Little Rock & Memphis,	-19-	<sup>No 2.</sup> 44-
Louisville, New Albany & Chicago.	-41-	<sup>No 2.</sup>

K  
L

Memphis + Charleston. -20-

Marietta + North Georgia. -27-

Mexican National Railroad Co. <sup>No. 3</sup> 59

Michigan Telephone Co. <sup>No. 3</sup> 60

Mt. Vernon-Woodberry Cotton Duck Co. <sup>No. 4</sup> 18

Mexican Central Ry. Co. <sup>No. 4</sup> 35-6

Midvale-Goshen Coal Co. <sup>No. 4</sup> 37

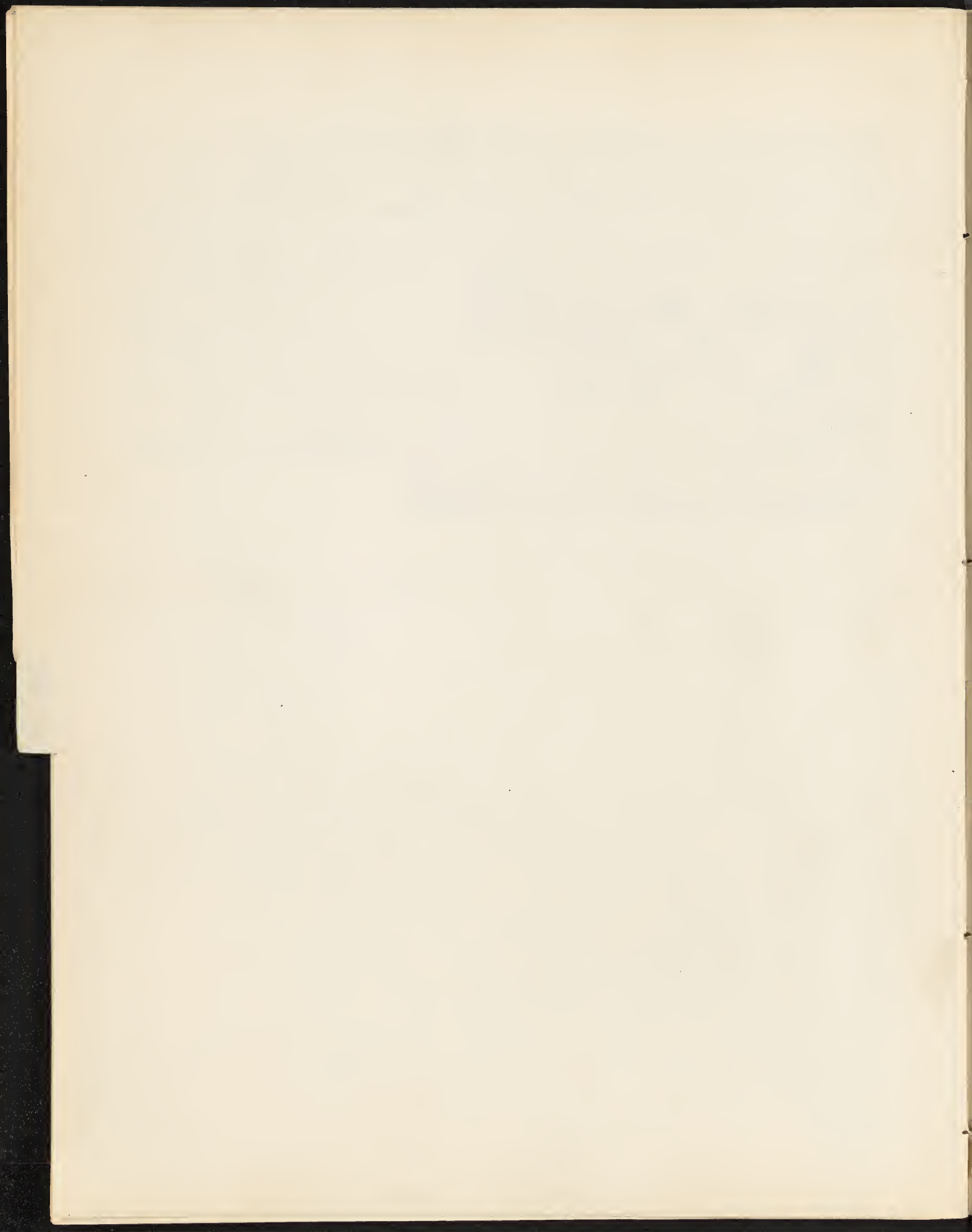
Montreal + Boston Cons. Mining + Smelting Co. <sup>No. 4</sup> 38

National Linseed Oil Co. <sup>No. 3</sup> 61  
New Jersey Zinc Co. <sup>No. 3</sup> 62  
New Orleans Railways Co. <sup>No. 3</sup> 63  
Norfolk & Western Railroad Co. <sup>No. 3</sup> 64  
Northern Pacific Railroad Co. <sup>No. 3</sup> 65  
National Asphalt Co. <sup>\* 4 \* 4</sup> 12, 39  
North Chicago Street Rd Co. <sup>\* 4</sup> 14  
North Carolina State Bonds. <sup>\* 4</sup> 28  
New Orleans Railways Co. <sup>\* 4</sup> 40



Oregon Ry + Navigation Co. 21 —  
Oregon Short Line + Utah Northern, - 22 —  
Ogdensburg + Lake Champlain - 23.  
Oregon Improvement Co. <sup>No. 2 No. 3</sup> - 42-67  
Omaha + St. Louis Railroad Co. <sup>No. 3</sup> 66  
Ohio + Indiana Gas Co. <sup>No. 4</sup> #1

Philadelphia & Reading R. R. Co.	-24-	
Philadelphia & Reading Coal & Iron Co.	-24-	
Peoria, Wecatur & Evansville	-28-	<sup>No 2</sup> -43- +
Pacific Packing & Navigation Co. #2		<sup>* 1</sup>
Pere Marquette Rd Co. #3		<sup>* 1</sup>
Philadelphia Co. #4		<sup>* 1</sup>
Pittsburgh, Painesville & Fairport Rd Co. #5		<sup>* 1</sup>





Richmond Passenger & Power Co. <sup>114</sup>#6 +

Q  
R

St Louis + San Francisco 29  
St Joseph + Grand Island, <sup>No. 3</sup> 32-68  
State Bonds, <sup>#4</sup> 27  
Seaboard Air Line Ry. <sup>#4</sup> 47  
Standard Rope & Twine Co. <sup>#4</sup> 489.50

Toledo, Ann Arbor + North Michigan -30  
Toledo, St Louis + Kansas City, ~~31~~ 51.

United States Cordage Co. - 8-  
 Union Pacific Railway Co. - 25- <sup>No 2 No 3</sup> 39-69  
 Union Pac. Railway Co. inc. Kansas Pac. Lines 26-  
 Union Pac. Denver & Gulf. <sup>No 2</sup> - 40-  
 U. S. Cotton Duck Corp'n, <sup># #</sup> 18  
 United Ry. Investment Co. of San Fran. <sup># #</sup> 44  
 U. S. Leather Co. <sup># #</sup> 52  
 U. S. Realty & Construction Co. <sup># # # #</sup> 53-54  
 U. S. Shipbuilding Co. <sup># #</sup> 55





Wheeling & Lake Erie.

No. 3  
33-71-

Wisconsin Central Co.

No. 2 No. 3  
1st mortgage  
1895  
45-72-

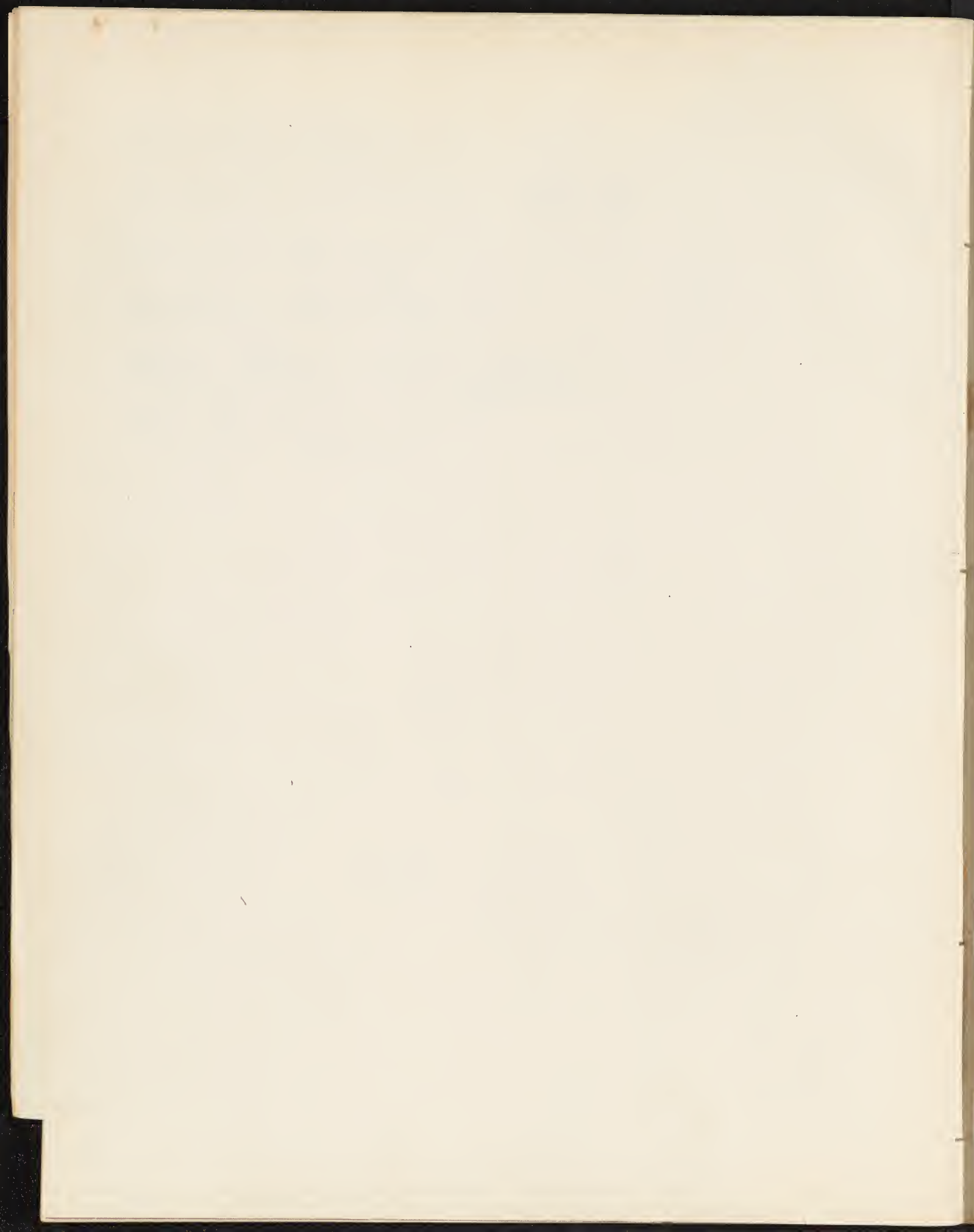
Westinghouse Elec. & Mfg. Co. No. 3 70

West Chicago Street Rd. Co. \* 11 14

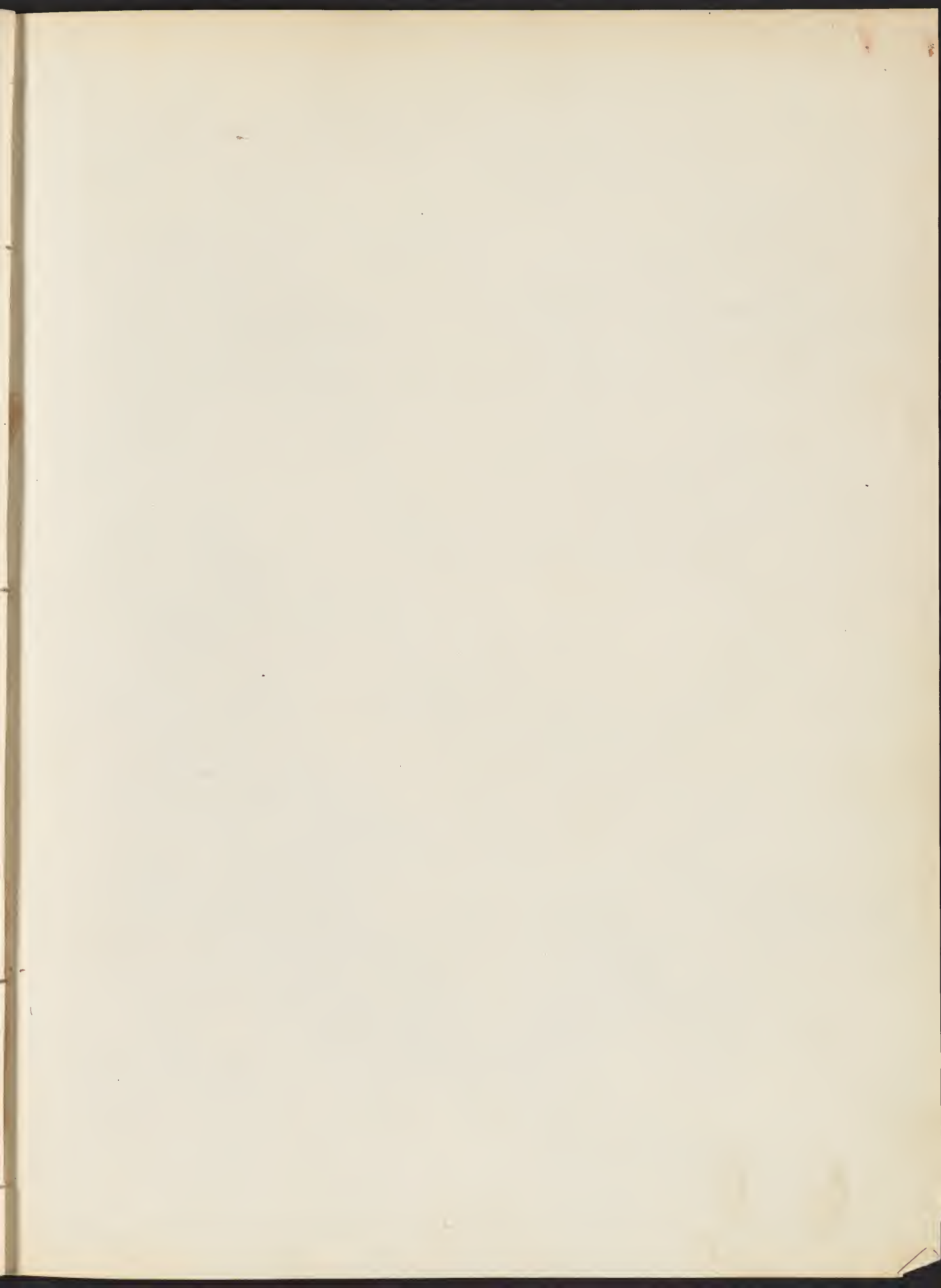
Wheeling, Lake Erie & Pittsburgh Coal Co. \* 11 56

White Knob Copper Co. \* 11 57

W  
X







Atch. Top. & Santa Fe. — 1.

American Cotton Co. <sup>No. 3.</sup> 46. 6. ~~46~~

D. Appleton & Co. <sup>No. 3.</sup> 47

Amer. Grass Twine Co. <sup>\* 4</sup> 1. ~~44~~

Albany & Susquehanna Rd Co. <sup>\* 4</sup> 2.

Amer. Bank Note Co. <sup>\* 4</sup> 3. ~~44~~

Amer. Bicycle Co. <sup>\* 4</sup> 4

Amer. Clay Working Mch. Co. <sup>\* 4</sup> 5. +

Amer. Ice Co. <sup>\* 4</sup> 7.

Amer. Malting Co. <sup>\* 4</sup> 8-9-10.

Amer. Tobacco Co. <sup>\* 4</sup> 11

Asphalt Co. of Amer. <sup>\* 4</sup> 12





*Plan and Agreement for the*  
**REORGANIZATION**  
*OF THE*  
**Atchison, Topeka and Santa Fé**  
**Railroad Company.**

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DATED MARCH 14, 1895.

---

EDWARD KING, Chairman,  
R. SOMERS HAYES,  
EDWARD N. GIBBS,  
GEORGE G. HAVEN,  
ADRIAN ISELIN, Jr.,  
C. SLIGO de POTHONIER,  
ROBERT FLEMING,  
JOHN LUDEN,  
VICTOR MORAWETZ,

} *Joint  
Executive  
Reorganization  
Committee.*

HERMAN KOBBE,  
*Secretary.*

CHARLES C. BEAMAN,  
VICTOR MORAWETZ,

*Counsel to the Committee.*





REORGANIZATION  
OF THE  
**Atchison, Topeka and Santa Fé R. R. Company.**

**INTRODUCTORY CIRCULAR.**

At the request of:

THE NEW YORK GENERAL REORGANIZATION COMMITTEE,  
THE LONDON BONDHOLDERS' COMMITTEE, and  
MESSRS. HOPE & CO., OF AMSTERDAM (acting in behalf of Dutch Bondholders),  
the Joint Executive Committee named in the Reorganization Agreement hereto attached  
undertook to formulate a Plan for the Reorganization of the affairs of the Atchison,  
Topeka and Santa Fé R. R. Company.

The ACCOMPANYING PLAN embodies the result of the labors of the Joint Executive  
Committee and HAS BEEN APPROVED BY THE THREE ABOVE-NAMED COMMITTEES.

The Joint Executive Committee has had the result of the independent examination  
into the financial condition by Mr. Stephen Little, and into the physical condition by Mr.  
Robert Moore, and the reports of these experts have been printed and distributed for  
the information of the security holders. They have also had numerous conferences with  
the Receivers and with those intimately conversant with the property.

In submitting this Plan to the security holders, the Joint Executive Committee desire  
to give an outline of the principal considerations which led to its adoption.

IT IS PROPOSED TO FORECLOSE THE GENERAL MORTGAGE and to vest the properties  
acquired at foreclosure sale in a new company, and through that means to accomplish the  
following ends:

- (1.) To reduce the fixed charges to a safe limit.
- (2.) To make adequate provision for future capital requirements subject to proper restrictions as to the issue of bonds for this purpose.
- (3.) To liquidate the floating debt, and to make adequate provision for existing prior lien indebtedness shortly to mature.
- (4.) To reinstate existing securities upon equitable terms in their order of priority.
- (5.) To consolidate and unify the System (so far as may be found practicable) and thus save large annual expense.

If the above objects can be attained a Plan financially sound should result; but good  
returns to the security holders can only be secured by *good management*.

A voting trust has been considered, but has been rejected as unsatisfactory; but no  
effort will be lacking on the part of the Committee to secure for the new Company the  
best possible management.



#### GUARANTEE FUND NOTES, EQUIPMENT BONDS AND CAR TRUSTS.

These constitute charges upon the revenue of the Company prior to the General Mortgage Bonds, the interest and instalments on the same having been paid, under the order of the Court, by the Receivers.

The \$9,000,000 Guarantee Fund Notes bear six per cent. interest and mature November, 1898. They are a charge upon the main line of the Company, subject only to \$7,000,000 First Mortgage Bonds, and also a charge upon a large part of the equipment of the Company.

The \$1,750,000 of Equipment Bonds represent seventy per cent. of the original issue, the balance having been paid off, and the equipment covered by these bonds is necessary for the operation of the road.

The same applies generally to the Car Trust obligations outstanding.

The renewal of the six per cent. Guarantee Fund Notes in 1893 (at six per cent. for five years) cost the Company over \$1,100,000 in discounts and commissions. The provision made in this Plan for their retirement will obviate the recurrence of the embarrassment and expense which these notes have caused to the Company in the past.

It is essential that these prior charges shall be extinguished at the earliest practicable moment, and the new four per cent. General Mortgage Bonds become an absolutely first lien on the property.

To extinguish the same, however, at the present market price, by the sale of General Mortgage Bonds, would be wasteful. Power is therefore taken to unify the same into a four per cent. Prior Lien Bond, and thereby effect a large annual saving in interest. As an insurance fund against contingencies of the first five years after reconstruction, it is also proposed to take power to issue a further \$5,000,000 of these bonds, which provision is deemed to be in the interest and for the protection of the security holders.

*In this connection attention is drawn to the fact that the interest on the total amount of Prior Lien Bonds authorized (even if all issued) will not exceed the charges against revenue which at present exist in front of the new General Mortgage Bonds.*

Provision is made, however, that as soon as the General Mortgage Bonds can be sold at satisfactory prices the whole prior lien shall by that means be extinguished and the new General Mortgage Bonds become an absolutely first charge on the property.

#### CHICAGO AND ST. LOUIS SIX PER CENT. BONDS (\$1,500,000), DUE 1915.

These bonds being well secured, and having a comparatively long time to run, it is proposed to leave undisturbed.

#### GENERAL MORTGAGE FOUR PER CENT. BONDS.

The General Mortgage Bondholders are entitled to receive new securities representing the principal and interest of their bonds before any provision is made for the junior security holders.

These bonds under the plan receive for every \$1,000, \$1,150 in new securities, viz. :  
75% of their face value in new 4% General Mortgage Bonds, and  
40% in a new 4% Adjustment Bond, cumulative as to interest after five years. (See  
foot-note.)

The interest on the new General Mortgage Bonds of the Company will be payable April and October, instead of January and July, the interest dates of the old bonds.

This alteration is made in order to more equally divide the annual revenue, and, moreover, gives time to prepare the estimate of surplus earnings available to pay interest on the Adjustment Bonds.

It will be observed that the coupons on the present General Mortgage Bonds are funded to July 1, 1895, and that the interest on the new bonds does not commence until three months later—October 1, 1895. The interest for these three months on the General Mortgage Bonds, viz., one per cent., or ten dollars for each \$1,000 bond, will be paid in cash on deposit of bonds.

The corrected accounts, as shown by Mr. Little's report, indicate that during the year ended June, 1894, after deducting the losses on the auxiliary lines, the net income available for interest on the General Mortgage Bonds amounted to but slightly over two per cent., but if the losses stated on the auxiliary lines during that year are eliminated, about four per cent. was earned.

After making a careful estimate as to how much of the existing losses on the auxiliary lines, if retained in the System, could, under the circumstances, be avoided, or if these lines be left out, what amount the Atchison System proper would be able to earn without the auxiliary lines, the Committee have arrived at the conclusion that it would not be safe to place upon the property a fixed charge of more than four per cent. upon seventy-five per cent. of the principal of the present General Mortgage Bonds, giving them, however, compensation, as above stated, in Adjustment Bonds. On page 5 is given a statement of net earnings and of the proposed fixed charges of the new Company. The present fixed charges are \$9,536,082 and the proposed fixed charges under the Plan are \$4,528,547, being an average fixed charge of \$680.30 per mile per annum, and an average of \$16,836 of fixed charge bonds per mile.

The General Mortgage Bonds under this arrangement retain their mortgage liens and will ultimately be entitled to receive as interest on the two securities, given to them under this plan, a full equivalent for the principal and interest on their original bonds.

The plan provides that the stock and bond holders shall pay nearly \$14,000,000 in cash necessary to start the new Company free from floating debt and other liabilities, which amount the General Mortgage Bondholders might otherwise themselves have to provide.

#### SECOND MORTGAGE BONDS, SERIES "A" AND "B."

THE SECOND MORTGAGE "A" BONDS RECEIVE 113 PER CENT. FOR PRINCIPAL, INTEREST, AND ASSESSMENT, IN NEW PREFERRED STOCK, AND ARE ASSESSED 4 PER CENT.

THE SECOND MORTGAGE "B" BONDS RECEIVE 118 PER CENT. FOR PRINCIPAL, INTEREST, AND ASSESSMENT, IN NEW PREFERRED STOCK, AND ARE ASSESSED 4 PER CENT.

---

NOTE.—25% for balance of principal of the General Mortgage 4% Bonds.

8% for accrued interest to 1st July, 1895; and

7% as compensation for reduction of fixed charge and the non-cumulative feature for five years.

After careful consideration it was decided to be best for the interests of these securities that they should now be converted into five per cent. Preferred Stock, possessing full voting powers, and preferential rights as to principal as well as interest, rather than revert to their original form of "Income Bonds." Provision will, however, be made so that no mortgage, other than those mentioned in the Plan, can be created, nor the preferred stock of the new Company be increased, except with the consent of the holders of a majority of the preferred stock at the time outstanding.

The four per cent. assessment is a necessity for the following reasons:

About \$14,000,000 cash has to be raised to pay off the floating indebtedness of the Company, and for other purposes.

The stockholders, in the ordinary course, should provide the whole of this amount; but, in case they should fail to do so, the Second Mortgage Bondholders would themselves have to provide the whole of it in order to preserve their hold upon the property.

It was therefore deemed to be in the interest of the Second Mortgage Bondholders to divide the burden of this \$14,000,000 between them and the Stockholders.

The proportion of the assessment that would be borne by the Stockholders could only be gauged by the amount of assessment that they would be willing to pay to protect their rights. This amount is believed to be \$10 per share, and it is necessary that the Second Mortgage Bondholders shall provide the remaining \$4 for their own protection. As compensation for this assessment, the accrued interest, and the change they are called upon to make in the character of the securities, it is proposed, as stated above, to give to the Second Mortgage "A" and "B" Bondholders \$113 and \$118 respectively in new Preferred Stock for every \$100 of their present Second Mortgage Bonds.

#### COMMON STOCK.

The new Common Stock to be the same in amount as the present Common Stock, viz., \$102,000,000, to be given to the present Stockholders on payment of \$10 per \$100 share. New Preferred Stock at par to be given to the Stockholders for the \$10 assessment.

A syndicate has been formed to guarantee this and will be prepared to pay the \$10 assessment on all shares upon which the said assessment is not paid by the present Stockholders, receiving therefor the Common and Preferred Stock which the Stockholders would have received; thus insuring the necessary cash for the accomplishment of the Plan.

#### FUTURE CAPITAL REQUIREMENTS.

Any plan of reorganization that fails to provide for the necessary improvement and development of the System in the future would be fatally defective.

In order to provide such funds during the next ten years, provision is made in the Plan for the issue of additional new General Mortgage Four Per Cent. Bonds, but to an amount not exceeding \$3,000,000 in any one year.



After the expiration of ten years, should further provision be needed, additional Adjustment Bonds can be issued at the rate of \$2,000,000 per annum for ten years, but only by a vote of a majority of the adjustment bondholders themselves.

#### TREATMENT OF AUXILIARIES.

The important and difficult questions involved in the control of these properties have had the most careful consideration by the Committee.

It is felt that negotiations with regard to the auxiliary lines cannot be advantageously effected until a majority of the General Mortgage Bonds are deposited.

It has been decided, therefore, to issue a plan of reorganization for the Atchison System proper, reserving power to increase the General Mortgage Bonds by a maximum of \$20,000,000, and Preferred Stock to the same amount, in the event of auxiliary properties being acquired on satisfactory terms.

#### NET EARNINGS AND FIXED CHARGES.

* Net earnings of the Atchison System proper, as shown by Mr. Little's report, for fiscal year ending June 30, 1894, after allowing for amount of cash contribution to St. Louis and San Francisco Railway under terms of Tripartite Agreement (\$341,401) and also after deducting Sonora Railway subsidy (\$350,000) .....		\$5,948,015 66
Fixed charges under proposed plan (see page 6) .....		4,528,547 06
Surplus .....		<u>\$1,419,468 60</u>

\* The corrected net earnings applicable to interest charges for calendar year ending December 31, 1894, as reported to the Committee by Mr. Gillett, the General Auditor of the Receivers, were \$4,314,200.94; but during the months of April, May, June and July, 1894, earnings were very small owing to coal miners' and labor strikes. The net earnings for these four months of 1894 were \$68,820.01, while for same months of 1893 the net earnings were \$2,414,056.01. A comparison of the net earnings of the four months referred to of the years of 1893 and 1894 is below:

	1894.	1893.
For April .....	\$206,465 71	\$488,443 15
" May .....	152,786 61	714,079 43
" June .....(net loss)	88,492 00	703,524 94
" July .....(net loss)	201,940 31	508,008 49
Total.....	<u>\$68,820 01</u>	<u>\$2,414,056 01</u>

# ATCHISON, TOPEKA AND SANTA FÉ RAILROAD COMPANY.

TABLE OF EXISTING SECURITIES AND OF SECURITIES PROPOSED TO BE ISSUED BY THE NEW COMPANY.

EXISTING ISSUES.	PRINCIPAL.	FIXED INTEREST.	PROPOSED ISSUES.	PRINCIPAL.	FIXED INTEREST.
Chicago and St. Louis R. R. 1st Mtg.....6's	\$1,500,000 00	\$90,000 00	Chicago and St. Louis R. R. 1st Mtg...6's	\$1,500,000 00	\$90,000 00
Guarantee Fund Notes.....6's	9,000,000 00	540,000 00			
Equipment Trust, Series "A".....5's	1,750,000 00	87,500 00	Prior Lien Bonds (if exchanged).....4's	12,020,414 00	480,816 56
Equipment Lease Warrants.....	1,270,414 00	.....			
Miscellaneous Unconverted Bonds.....	1,562,950 00	78,107 50	Miscellaneous Bonds.....	1,562,950 00	78,107 50
General Mortgage.....4's	129,320,776 54	5,172,831 06	General Mortgage (75% of old Gen'l's)..4's	96,990,582 00	3,879,623 00
			4% Adjustment Bonds (40% of old Gen'l's) (Cumulative after 1st July, 1900.)	51,728,310 61	
Second Mortgage "A".....4's	77,937,500 00	3,117,500 00			
Second Mortgage "B".....4's	10,000,000 00	400,000 00	5% Non-Cumulative Preferred Stock.....	111,485,951 00	
Income Bonds (exchangeable for A's).....	1,253,607 20	50,144 29			
Capital Stock.....	102,000,000 00	.....	Common Stock.....	102,000,000 00	
Existing Fixed Charges.....	.....	\$9,536,082 85	Proposed Fixed Charges.....	.....	\$4,528,547 06

# PLAN.

## I.—NEW SECURITIES TO BE CREATED.

It is proposed to foreclose the General Mortgage of the Atchison Company, dated October 15, 1889, and other mortgages if deemed advisable, and to vest in a new railway company the railways, bonds, stocks and other properties of the present Company acquired at foreclosure sale or otherwise. The deposited bonds and stocks of such of the auxiliary companies as shall be brought into the reorganization, or the property represented thereby, are also to be transferred to the new Company.

It is the intention that the new Company shall, so far as practicable, be invested with the direct ownership of all the various properties comprised in the system, thereby avoiding the necessity of keeping up the separate existence of a large number of the subsidiary companies controlled by the principal Company.

The new Company is to create the following securities :

(A) COMMON STOCK..... \$102,000,000

Divided into shares of \$100 each.

(B) FIVE PER CENT. NON-CUMULATIVE PREFERRED STOCK..... \$111,486,000

Divided into shares of \$100 each.

This Preferred Stock will entitle the holders to non-cumulative dividends up to 5 per cent. per annum, payable out of net earnings before any dividends shall be paid on the Common Stock, and, in case of liquidation of the Company, the holders of the Preferred Stock are to be entitled to receive the par amount of their stock out of the Company's assets in priority to the Common Stock.

Additional Preferred Stock, to an amount not exceeding in the aggregate \$20,000,000, may be created and used in such amounts respectively, and in such proportions as the Joint Executive Committee shall determine, for the acquisition, as hereinafter provided, of the Atlantic and Pacific Railroad, the St. Louis and San Francisco Railway and the Colorado Midland Railroad, or the securities representing control of the same, and for the improvement of the properties acquired.

Provision is to be made so that no mortgage, other than those provided for in this Plan, can be created, nor the amount of the Preferred Stock authorized under this Plan be increased by the new Company, except with the consent, in each instance, of the holders of a majority of the whole amount of the Preferred Stock which shall at the time be outstanding, given at a meeting of the Stockholders called for that purpose, and with the consent of the holders of a majority of such part of the Common Stock as shall be represented at such meeting, the holders of these two classes of stock voting separately.

(C) GENERAL MORTGAGE 4 PER CENT. 100-YEAR GOLD BONDS..... \$96,990,582

Principal payable October 1, 1995, and interest payable semi-annually, on April 1st and October 1st.



These bonds will be secured by a mortgage covering all the properties which shall be vested in the new Company as above provided, and also any other property which may be acquired by use of any of the new bonds. The Joint Executive Committee may, however, in its discretion, except from the new General Mortgage the stocks and bonds deposited under the existing General Mortgage, representing branch lines, the operation of which shall be found to be unprofitable and an unnecessary burden to the System, and may make such arrangements in respect thereof as shall be deemed in the interest of the System, all proceeds of any disposal of such branches or securities being brought under the new mortgage. The Joint Executive Committee may also except from the new mortgage the \$7,000,000 of bonds and the stock of the Atchison, Topeka and Santa Fé Railroad Company in Chicago, and may make such arrangements as it shall deem most expedient for the improvement, utilization or disposal of any of the terminal property of said Company in Chicago; but any proceeds of said bonds and stock so excepted or of any portion of the property situated in Chicago which may be sold or otherwise disposed of shall be applied only in improving the terminals or other property subject to the new General Mortgage, or in acquiring new property which shall become subject thereto.

The new General Mortgage shall provide for the issue, subject to such restrictions as the Joint Executive Committee may prescribe, of additional General Mortgage Bonds, not exceeding the following amounts, for the following purposes, viz.:

\$1,500,000, for the purpose of taking up or paying the outstanding First Mortgage 6 Per Cent. Bonds of the Chicago and St. Louis Railroad Company.  
 \$1,500,000, or so much thereof as may be required, for the purpose of taking up or paying the outstanding bonds provided for under Circular No. 63 of the Atchison Company, dated October 15, 1889.\*

* Such bonds are as follows:	
<b>A. T. &amp; S. F. R. R. CO.:</b>	Old Liens Outstanding.
Collateral Trust 5 Per Cent. Bonds, 1937.....	\$110,300 00
4½ Per Cent. Sinking Fund Bonds, 1920.....	1,000 00
6 Per Cent. Sinking Fund Secured Bonds, 1911.....	1,000 00
<b>Chicago, Kansas and Western Railroad Company:</b>	
First Mortgage 5 Per Cent. Bonds, 1926.....	271,500 00
Income 6 Per Cent. Bonds, 1926.....	8,400 00
<b>Chicago, Santa Fe and California Railway Company:</b>	
First Mortgage 5 Per Cent. Bonds, 1937.....	629,000 00
<b>Southern Kansas Railway Company of Texas:</b>	
First Mortgage 5 Per Cent. Bonds, 1927.....	39,130 00
<b>Southern Kansas Railway Company, Gulf Division:</b>	
First Mortgage 5 Per Cent. Bonds, 1926.....	127,920 00
<b>Southern Kansas Railway Company:</b>	
Income 6 Per Cent. Bonds, 1927.....	1,050 00
<b>Gulf, Colorado and Santa Fe Railway Company:</b>	
First Mortgage 7 Per Cent. Bonds, 1909.....	25,000 00
Second Mortgage 6 Per Cent. Bonds, 1923.....	276,000 00
<b>Sonora Railway Company, Limited:</b>	
First Mortgage 7 Per Cent. Bonds, 1910.....	4,000 00
<b>Leavenworth, Topeka and Southwestern Railway Company:</b>	
General Mortgage 4 Per Cent. Bonds, 1912.....	1,000 00
<b>California Southern Railway Company:</b>	
Income 6 Per Cent. Bonds, 1926.....	59,650 00
	<u>\$1,554,950 00</u>

\$15,500,000, or so much thereof as may be required to take up or pay the existing Guarantee Fund Notes, amounting to \$9,000,000; the existing Equipment Bonds, amounting to \$1,750,000; the existing Car Trust obligations, amounting to \$1,270,414; and to provide the new Company with an amount of cash equal to the amount expended after January 1, 1895, in paying any of said Guarantee Fund Notes, Equipment Bonds or Car Trust obligations; it being understood that such General Mortgage Bonds may be issued at a rate not exceeding \$1,250, par value, for each \$1,000, par value, of such Guarantee Fund Notes, Equipment Bonds or Car Trust obligations taken up or paid.

\$30,000,000, for the construction and acquisition of improvements and additions, including side-tracks, second tracks and spur tracks to the railways embraced in the system covered by the new General Mortgage, either directly or by pledge of the bonds and stocks of other companies, and for the construction of branches or extensions to any of said railways; but such bonds may be issued only at a rate not exceeding in the aggregate \$3,000,000 for each fiscal year which shall have elapsed after June 30, 1895 (the first fiscal year being that ending June 30, 1896), it being understood that any portion of such \$3,000,000 bonds unissued in any one fiscal year shall be added to the amount which may be issued in subsequent years; but the amount of said bonds which may be issued for the construction or acquisition of branches or extensions shall not exceed in the aggregate \$750,000, par value, out of each \$3,000,000 of bonds which may be issued as aforesaid, and shall not exceed \$15,000, par value, per mile of such branches or extensions completed. Proper provisions shall be made in the new General Mortgage to secure the application of all such bonds, or their proceeds, for the purposes aforesaid only, and all such branches, extensions, additions and improvements shall become subject to the new General Mortgage.

Additional new General Mortgage Bonds, to an amount not exceeding \$20,000,000 in the aggregate, may be issued and used in such amounts respectively, and in such proportions as the Joint Executive Committee shall determine, for the acquisition, as hereinafter provided, of the Atlantic and Pacific Railroad, the St. Louis and San Francisco Railway and the Colorado Midland Railroad, or the securities representing control of the same, and for the improvement of the properties acquired.

*Prior Lien Bonds*—possible issue limited to \$17,000,000.

In order to make additional provision for funding or paying the existing Guarantee Fund Notes, Equipment Bonds and Car Trust obligations, and to set apart a fund to insure against contingencies, provision will be made for the issue of 30-Year 4 Per Cent. Prior Lien Gold Bonds to the amount hereinafter specified, which bonds shall be secured by a lien prior to the lien securing the new General Mortgage Bonds and covering the same property, and shall be redeemable by lot upon any coupon day at 103 per cent. and accrued interest upon at least three months' previous notice of redemption. Such Prior



Lien Bonds may be issued only to the following amounts and subject to the following conditions, viz.:

In case it shall not be found advisable to issue all or any of the \$15,500,000 of new General Mortgage Bonds reserved as hereinbefore provided, to take up or pay the existing Guarantee Fund Notes, Equipment Bonds and Car Trust obligations, and to provide the new Company with an amount of cash equal to the amount expended after January 1, 1895, in paying any of them, there may be issued for said purposes \$1,000 par value of such Prior Lien Bonds, for any \$1,000 of the Guarantee Fund Notes, Equipment Bonds or Car Trust obligations taken up or paid, instead of \$1,250 of the new General Mortgage Bonds reserved for that purpose as above provided.

Additional Prior Lien Bonds to an amount not exceeding in the aggregate \$5,000,000 may be issued at any time within five years from the formation of the new corporation, when required for the improvement of the properties embraced in the system covered by the new General Mortgage or for other necessary purposes, on such conditions as may be prescribed in the mortgage securing such bonds.

The new General Mortgage shall provide that in case any Prior Lien Bonds shall be issued to take up or pay Guarantee Fund Notes, Equipment Bonds or Car Trust obligations, the General Mortgage Bonds, in lieu of which such Prior Lien Bonds were issued, shall thereafter be reserved and may be issued to pay or redeem Prior Lien Bonds at the rate of \$1,250 of General Mortgage Bonds for each \$1,000 of Prior Lien Bonds redeemed, and in case of the issue of any of said \$5,000,000 of Prior Lien Bonds for improvements and other necessary purposes, there shall be deducted from the \$30,000,000 of General Mortgage Bonds reserved as hereinbefore provided for the construction and acquisition of improvements and additions and other purposes \$1,250 of such General Mortgage Bonds for each \$1,000 of Prior Lien Bonds so issued, and the General Mortgage Bonds so deducted shall be reserved to pay or redeem Prior Lien Bonds, and may be issued at any time for that purpose, at a rate not exceeding \$1,250 of General Mortgage Bonds for each \$1,000 of Prior Lien Bonds paid or redeemed.

The new General Mortgage shall require the new Company to issue and sell the General Mortgage Bonds reserved as herein provided to pay or redeem Prior Lien Bonds and to apply the proceeds to the redemption of such bonds whenever at least \$100,000 par value of the General Mortgage Bonds so reserved can be sold at 90 and accrued interest.

**D.—FOUR PER CENT. 100-YEAR ADJUSTMENT BONDS, ISSUE LIMITED TO \$51,728,310.**

(Interest payable if earned. Non-cumulative up to July 1, 1900, and cumulative after that date.)

These bonds will be secured by a mortgage covering the same property as the new General Mortgage, but subject thereto.

They will entitle the holders to receive for each fiscal year ending June 30th interest, up to 4 per cent. per annum, payable out of net earnings, if earned and so far as earned

after paying full interest on the new General Mortgage Bonds and other fixed charges, but before any dividend is paid on the Preferred or Common Stock for such fiscal year. The mortgage securing said bonds shall contain such provisions for the ascertainment of earnings and the protection of the Bondholders as the Joint Executive Committee may determine. The interest on these bonds is to be non-cumulative until July 1, 1900, and is to be cumulative thereafter.

The mortgage securing the Adjustment Bonds shall provide that after the \$30,000,000 of General Mortgage Bonds authorized as above provided for improvements and other purposes shall have been issued, additional Adjustment Bonds may be issued for the same purposes as said \$30,000,000 of General Mortgage Bonds; provided, however, that the total amount of such additional Adjustment Bonds shall not exceed in the aggregate \$20,000,000, and they may be issued only at a rate not exceeding \$2,000,000 per year; and provided further, that before any such additional Adjustment Bonds may be issued, the consent of the holders of a majority of the Adjustment Bonds then outstanding shall be obtained, such consent being given either in writing or by vote at a meeting or meetings, called in a manner to be provided in such Adjustment Mortgage.

## II.—APPLICATION OF SECURITIES OF THE NEW COMPANY.

The new securities are to be used as follows :

### A.—COMMON STOCK.

For stock of the Atchison Company, share for share..... \$102,000,000.00

### B.—PREFERRED STOCK.

For \$77,937,500 Second Mortgage Class A Bonds (and scrip) of the Atchison Company, including the assessment thereon and accrued interest, at 113.....	88,069,375.00
For \$1,253,607.20 old Income Bonds (and scrip) of the Atchison Company of the issue of October 15, 1889, including the assessment thereon and accrued interest, at 113 .....	1,416,576.14
For \$10,000,000 of Second Mortgage Class B Bonds (and scrip) of the Atchison Company, including the assessment thereon and accrued interest, at 118 per cent.....	11,800,000.00
For the assessment at \$10 per share on the \$102,000,000 Common Stock of the Atchison Company.....	10,200,000.00
	<u>\$111,485,951.14</u>

There may be issued, not to exceed \$20,000,000 of additional Preferred Stock for the acquisition and improvement of the St. Louis and San Francisco, the Atlantic and Pacific, and the Colorado Midland Railroads.

### C.—GENERAL MORTGAGE BONDS.

For \$129,320,776.54 present Atchison General Mortgage Bonds, at 75 per cent..... 96,990,582.39

(This is besides 40 per cent. in Adjustment Bonds, as provided below.)

Reserved for the purpose of acquiring the balance of the outstanding bonds, for which provision was made by the General Mortgage of October 15, 1889, pursuant to Circular No. 63, of October 15, 1889, not exceeding.....\$1,500,000

Reserved for \$1,500,000 Chicago and St. Louis R. R. Co. 6 Per Cent. First Mortgage Bonds.....\$1,500,000

Reserved to take up the prior liens hereinbefore specified not exceeding.....\$15,500,000

There may be issued \$30,000,000 of additional bonds for improvements, additions and extensions at a rate not exceeding in the aggregate \$3,000,000 for each fiscal year,—and not to exceed \$20,000,000 of additional bonds for the acquisition and improvement of the St. Louis and San Francisco, the Atlantic and Pacific, and the Colorado Midland Railroads.

### D.—4 PER CENT. ADJUSTMENT BONDS.

For \$129,320,776.54 present Atchison General Mortgage Bonds, forty (40) per cent. to cover balance of principal, 8 per cent. accrued interest and compensation..... 51,728,310.61

(This is besides 75 per cent. in General Mortgage Bonds, as provided above.)



### III.—READJUSTMENT OF THE SECURITIES OF THE NEW COMPANY IN EXCHANGE FOR EXISTING SECURI- TIES OF THE ATCHISON COMPANY.

#### A.—ATCHISON STOCK.

Stockholders of the Atchison Company are assessed \$10 per share, of which \$3 are payable at the time of deposit, and the balance in instalments of not more than \$3 each, at intervals of not less than 30 days as and when called for by the Joint Executive Committee, and they will receive Preferred Stock, at par, for the assessment. A discount may be allowed for anticipation of payments.

Stockholders who deposit their Stock and pay their assessment in full receive :

For each \$100 share and assessment of \$10 in cash paid thereon—

\$100 in Common Stock.

\$10 in Preferred Stock.

#### B.—ATCHISON SECOND MORTGAGE AND INCOME BONDS.

Holders of Second Mortgage Class A and Class B Bonds and Income Bonds of 1889 are assessed 4 per cent. on the par amount of their bonds, 2 per cent. being payable at the time of deposit of the bonds and the balance upon call of the Committee when the Preferred Stock is ready for delivery.

Holders of these Bonds who deposit the same and pay their assessment in full will receive :

For each \$1,000 of Second Mortgage Class A Bonds (or scrip), with coupons matured April 1, 1894, and subsequent thereto, and assessment paid—

\$1,130 in Preferred Stock.

For each \$1,000 of Second Mortgage Class B Bonds, with coupons matured April 1, 1894, and subsequent thereto, and assessment paid—

\$1,180 in Preferred Stock.

For each \$1,000 of Income Bonds (and scrip) of the issue of October 15, 1889, with coupons matured September 1, 1894, and subsequent thereto and assessment paid—

\$1,130 in Preferred Stock.

#### C.—ATCHISON GENERAL MORTGAGE 4 PER CENT. BONDS.

Holders of these bonds will receive :

For each \$1,000 in General Mortgage Bonds with coupons maturing January 1, 1894, and subsequent thereto—

\$750 in General Mortgage Bonds, bearing interest from October 1, 1895.

\$400 in 4 Per Cent. Adjustment Bonds, to cover balance of principal, 8 per cent. accrued interest and compensation.

\$10 in cash—being 1 per cent. interest on the General Mortgage Bonds deposited—will be paid to depositing holders of General Mortgage Bonds at the time of the deposit of their bonds, in respect to the interest thereon from July 1, 1895, to October 1, 1895.

**D.—ATCHISON GUARANTEE FUND NOTES. ATCHISON EQUIPMENT BONDS, SERIES A, AND CAR TRUST OBLIGATIONS.**

The Joint Executive Committee may settle with the holders of the above obligations and invite them to deposit under the Plan, on such terms as said Committee shall deem reasonable, and may agree to deliver in exchange for such obligations the new General Mortgage Bonds or Prior Lien Bonds which may be issued to take up or pay said obligations, as above provided.

Registered bonds, without coupons, together with an assignment and power to transfer in blank, executed in the proper form, may be deposited on the same terms as coupon bonds of the same issue.

Holders of bonds from which coupons required to be deposited as above stated shall have been detached may deposit such bonds and the remaining coupons pertaining thereto, upon such terms as the Joint Executive Committee shall prescribe; but upon depositing with such bonds an amount in cash equal to the par amount of the missing coupons, they shall receive therefor certificates of deposit as though all the required coupons had been deposited.

The Joint Executive Committee may, in its discretion, purchase detached overdue coupons, and may settle therefor in new securities or in cash, upon such terms as said Committee may determine.

The Joint Executive Committee may provide for the issue of scrip for fractional amounts of new securities, or may, in its discretion, settle any fractional amounts in cash by purchase or sale on reasonable terms based on the market prices of the day.



#### IV.—THE AUXILIARY COMPANIES.

THE ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY,  
THE ATLANTIC AND PACIFIC RAILROAD COMPANY, AND  
THE COLORADO MIDLAND RAILROAD COMPANY.

In order to provide for the acquisition and improvement of the properties embraced in the systems of the above-named auxiliary companies, including their leased lines or the securities representing control thereof, power is taken to issue \$20,000,000 of General Mortgage Bonds and \$20,000,000 of Preferred Stock of the new Company.

The Joint Executive Committee may, if authorized by the unanimous vote of its members, acquire or provide for the acquisition of the railroad and property of any of said auxiliary companies, or of any other company embraced in the system of any of said auxiliary companies, or the bonds and obligations of any such company, and may use for that purpose such portion of the bonds and Preferred Stock reserved as above provided, or any other bonds or Preferred Stock available for the general purposes of the Plan and not otherwise appropriated, as said Committee shall unanimously determine. The Joint Executive Committee may, if authorized by unanimous vote of its members, at any time offer to the holders of the bonds or obligations of any of said companies the right to receive therefor General Mortgage Bonds and Preferred Stock, when issued, in such proportions and to such amounts as the Joint Executive Committee shall unanimously determine, and may, by advertisement or otherwise, offer to such holders the right to deposit their bonds under this Plan and the agreement hereto annexed, upon such terms and conditions and within such times as shall be specified in such offer.

Upon the acquisition of the railroad and property of any of said auxiliary companies, or of stock and bonds of a corporation in which the title thereto shall be vested, such property, or stock and bonds, as the case may be, will be transferred to the new Company to be formed as a successor to the Atchison, Topeka and Santa Fé Railroad Company, and will be made subject to the new General Mortgage.

In case the Joint Executive Committee shall determine not to acquire the railroad of the Atlantic and Pacific Railroad Company, or in case the holders of the Guaranteed Trust Gold Bonds of said Company shall refuse to accept such terms as shall be offered to them by the Joint Executive Committee, then in either such event the Joint Executive Committee may set apart and use such portion of the said \$20,000,000 of General Mortgage Bonds and \$20,000,000 of Preferred Stock as it shall deem necessary for the construction of a new line of railroad to connect the railways in Southern California embraced in the Atchison system with the portion of the system situated in New Mexico.

In case the Joint Executive Committee shall acquire the railroad of the Atlantic and Pacific Railroad Company or the securities representing control thereof, the Joint Executive Committee may set apart and use such part of said General Mortgage Bonds and of said Preferred Stock as said Committee may deem necessary for the purpose of constructing a new line of railroad connecting the said Atlantic and Pacific Railroad at or near The Needles with the railways in Southern California embraced in the Atchison system.

In case the St. Louis and San Francisco Railway Company shall be included in the reorganization, the following bonds may be left undisturbed or may be readjusted as the Joint Executive Committee shall, by unanimous vote of its members, determine :

General Mortgage Six Per Cent. Gold Bonds, due 1931.....	\$7,807,000
General Mortgage Five Per Cent. Gold Bonds, due 1931.....	12,293,000
Second Mortgage R. R. and Land Gold Bonds, due 1906, {	A. \$500,000.....
	B. 2,766,500.....
	C. 2,400,000.....
	5,666,500
First Mortgage Trust Six Per Cent. Sinking Fund Gold Bonds of 1880, due 1920.....	1,037,000
First Mortgage Trust Five Per Cent. Gold Bonds of 1887, due 1987.....	1,099,000
Equipment Sevens of 1880, due 1895.....	76,000
Mo. & Western Division First Mortgage Six Per Cent. Gold Bonds, due 1919.....	1,050,000
St. Louis, Wich. & West. Ry. Co. First Mortgage Gold (Six Per Cent.) Bonds, due 1919.....	2,000,000
Fort Smith & Van Buren Bridge Co. First Mortgage Six Per Cent. Gold Bonds, due 1910.....	369,000
Kansas City & So. West. R. R. Co. First Mortgage Six Per Cent. Gold Bonds, due 1916.....	744,000

In case the Consolidated Mortgage dated June 11, 1891, shall be foreclosed and the property acquired at foreclosure sale be transferred directly to the new Company formed as a successor to the Atchison Company, such arrangements may be made as will enable the new Company to provide for the principal of the bonds above enumerated, either by extending the same at maturity without impairment of priority or lien, or by issuing new bonds secured by the same lien in renewal of or exchange for such existing bonds, or by the creation of a new consolidated mortgage covering the properties which shall be acquired subject to the mortgages securing said enumerated bonds, which new Consolidated Mortgage shall be prior in lien to all other mortgages on such property, except the mortgages securing said enumerated bonds and shall secure an issue of bonds limited to the amount of said enumerated bonds which shall be taken up or paid, and all such new Consolidated Mortgage Bonds shall bear interest at a rate not exceeding 5 per cent. per annum.

In case a separate successor company shall be organized to take title to the property of the St. Louis and San Francisco Railway Company acquired at foreclosure sale, a new Consolidated Mortgage is to be created by such successor company covering the same property and securing an issue of bonds equal to that authorized by the mortgage foreclosed, and new Consolidated Mortgage Bonds to the amount of those now outstanding are to be issued, and such bonds, together with all the shares of the Capital Stock of such new Company, except an amount required to qualify Directors, are to be deposited as additional security for the new General Mortgage Bonds to be issued by the new Company formed as a successor to the Atchison Company.

In case any portion of said \$20,000,000 of new General Mortgage Bonds or \$20,000,000 of new Preferred Stock shall not be used by the Joint Executive Committee for the purposes aforesaid, such bonds may be reserved under the new General Mortgage, and such new Preferred Stock be deposited upon trust, subject to such restrictions as the Joint Executive Committee may prescribe, so as to enable the new Company formed as a successor to the Atchison Company, to use the same for the said purposes or any of them.

## V.—CASH REQUIREMENTS AND PROVISION MADE THEREFOR.

A.—The Plan makes the following provision for the cash requirements of the Reorganization :

Assessment on Atchison stock at \$10 per share.....	\$10,200,000
Assessment on Second Mortgage and Income Bonds, at 4 per cent., about.....	3,367,644
	<u>\$13,567,644</u>

In addition thereto, the securities now pledged as collateral for floating debt which may be taken up or acquired by the Joint Executive Committee, or the proceeds of such securities, or the bonds and stock of the new Company which could be issued in exchange for such pledged securities, if the latter were deposited under the Plan by the holders thereof, are to be available and may be used for the general purposes of the Reorganization as the Joint Executive Committee may determine ; but if the Joint Executive Committee shall acquire any of the \$5,000,000 of Second Mortgage B Bonds now pledged as collateral for floating debt, it may in its discretion either cause the same to be cancelled or may cause Preferred Stock of the new Company to be issued in respect thereof. Any earnings of the properties up to date of the issue of the new securities, and not applied to the payment of interest, will be applicable for improvements.

B.—The estimated cash requirements of the Reorganization are :	
For receivers' debt and preferred or secured floating debt of the Atchison Company, estimated as of January 1, 1895.....	\$7,793,875
Leaving for receivers and floating debt and accrued interest on un- disturbed securities, and for terminals, repairs and improvements of the auxiliary companies, if acquired, and for working capital of the new company and terminals in Chicago and other necessary improvements and repairs and for expenses of reorganization, including formation of the new Company, and issue of the new securities and contingencies.....	5,773,769
Total .....	<u>\$13,567,644</u>

After providing the new Company with the means to meet accruing interest and furnishing it with reasonable working capital, any surplus securities, cash and other assets remaining in the hands of the Joint Executive Committee upon the completion of the reorganization may be turned over to the Trustee of the new General Mortgage, upon trust, to deliver or pay over such securities, cash and other assets, under such regulations as the Joint Executive Committee and the Trustee may agree upon, in order to secure their application for the same purposes as the \$30,000,000 of additional new General Mortgage Bonds which may be issued as above specified ; provided, however, that the Joint Executive Committee may in its discretion cause any Preferred Stock so remaining in its hands to be cancelled.



A contract has been made with a syndicate to furnish an amount of money equal to the assessments of non-assenting or defaulting Stockholders, and such syndicate, by such payment, shall take the place of the non-assenting or defaulting Stockholders and shall be entitled to receive the new Common and Preferred Stock which such non-assenting or defaulting Stockholders would have been entitled to receive if they had deposited their stock and paid their assessments in full.

Syndicates may also be formed to furnish the money needed in case of foreclosure, to pay the non-assenting Bondholders their *pro rata* share of the proceeds of sale and to advance any cash which may be required during the reorganization and for other purposes.

This Plan is a part of a certain Reorganization Agreement dated the fourteenth day of March, 1895, between Edward King, R. Somers Hayes, Edward N. Gibbs, George G. Haven, Adrian Iselin, Jr., Robert Fleming, C. Sligo de Pothonier, John Luden and Victor Morawetz (therein called the Joint Executive Committee), parties of the first part; and such holders of stocks, bonds or other obligations of the Atchison, Topeka and Santa Fé Railroad Company (therein called the Atchison Company), or any of the other companies mentioned in this Plan who shall become parties to said Agreement (therein called the Depositing Security-Holders), parties of the second part; and this Plan and the said Agreement shall be taken and construed together as one instrument, and as though all the provisions of this Plan were embodied in said Agreement.

# DEPOSIT OF SECURITIES.

The following Securities may be deposited under this Plan and the Reorganization Agreement :

## ATCHISON, TOPEKA AND SANTA FÉ RAILROAD COMPANY.

General Mortgage Four Per Cent. Bonds.

With coupon No. 9 of January 1, 1894, and all subsequent thereto.

Four Per Cent. Second Mortgage Bonds, Class A.

With coupon No. 4 of April 1, 1894, and all subsequent thereto.

Four Per Cent. Second Mortgage Bonds, Class B.

With coupon No. 4 of April 1, 1894, and all subsequent thereto.

Income Bonds of 1889.

With coupon No. 5 of September 1, 1894, and all subsequent thereto.

Capital Stock.

Securities must be deposited with, and the assessments paid to, the following Depositaries :

### IN NEW YORK :

UNION TRUST COMPANY OF NEW YORK,

80 Broadway, New York City.

Atchison, Topeka and Santa Fé Railroad Company General Mortgage  
Four Per Cent. Bonds.

Atchison, Topeka and Santa Fé Railroad Company Second Mortgage A  
and B Bonds.

Atchison, Topeka and Santa Fé Railroad Company Income Bonds of  
1889.

THE NEW YORK GUARANTY AND INDEMNITY COMPANY,

65 Cedar Street, New York City.

Atchison, Topeka and Santa Fé Railroad Company Capital Stock.



IN BOSTON:

For all Bonds:

Agency of The Union Trust Company of New York,  
95 Milk Street, Boston.

For Stock only:

Old Colony Trust Company, as Agents of  
The New York Guaranty and Indemnity Company,  
Ames Building, Boston.

IN LONDON:

For all Bonds:

BARING BROTHERS & CO., LIMITED, who will receive deposits  
of Bonds and issue Certificates of Deposit therefor as agents on  
behalf of the Union Trust Company of New York.

For Stock:

BARING BROTHERS & CO., LIMITED, who will receive deposits  
of stock and issue Certificates of Deposit therefor and receive pay-  
ment of instalments of the assessment as agents on behalf of the  
New York Guaranty and Indemnity Company.

IN AMSTERDAM:

For all Bonds:

HOPE & COMPANY, who will receive deposits of Bonds and issue  
Certificates of Deposit therefor as agents on behalf of the Union  
Trust Company of New York.

For Stock only:

Maatschappij tot beheer van het Administratiekantoor opgericht door  
HUBRECHT, VAN HARENCARSPER & VAS VISSER.

Dated MARCH 14, 1895.

**An Agreement**, made this 14th day of March, 1895, between Edward King, R. Somers Hayes, Edward N. Gibbs, George G. Haven, Adrian Iselin, Jr., Robert Fleming, C. Sligo de Pothonier, John Luden and Victor Morawetz (hereinafter called the "Joint Executive Committee"), parties of the first part, and such holders of stocks, bonds or other obligations of the Atchison, Topeka and Santa Fé Railroad Company (herein called the Atchison Company) or of any of the other companies mentioned in the annexed Plan, who shall become parties to this Agreement, (hereinafter called the "Depositing Security-Holders"), parties of the second part.

WHEREAS, R. Somers Hayes, Louis A. von Hoffmann, Edward N. Gibbs, Frederic P. Olcott, Louis Fitzgerald, George G. Haven, Adrian Iselin, Jr., William Rotch and B. Rodman Weld, were constituted a committee in the City of New York (hereinafter designated as the "New York Committee") for the reorganization of the affairs of the Atchison, Topeka and Santa Fé Railroad Company.

AND WHEREAS, John M. Douglas, R. H. Atkinson, H. J. Chinnery, Robert Fleming, Daniel Marks, Herbert C. Mayhew, C. Sligo de Pothonier, Joseph Price and Frank Tobin were constituted a committee (hereinafter designated as the "London Committee") to represent the London Bondholders of the Atchison, Topeka and Santa Fé Railroad Company.

AND WHEREAS, Hope & Co., bankers, of Amsterdam, Holland, acting in behalf of Dutch Bondholders of the Atchison, Topeka and Santa Fé Railroad Company, will act as a committee under this Agreement, and are hereinafter designated as the "Amsterdam Committee."

AND WHEREAS, the New York Committee, the London Committee and the Amsterdam Committee have requested the parties of the first part hereto to formulate a plan for the reorganization of the affairs of the Atchison, Topeka and Santa Fé Railroad Company's system, and to carry out such plan when approved by said Committees respectively; and the annexed Plan, having been formulated by the parties of the first part, has been approved of by the said Committees respectively.

AND WHEREAS, the parties of the first part were nominated to act as members of the Joint Executive Committee by the New York, London and Amsterdam Committees respectively, as follows, viz.: R. Somers Hayes, Edward N. Gibbs, George G. Haven and Adrian Iselin, Jr., by the New York Committee; Robert Fleming and C. Sligo de Pothonier, by the London Committee; John Luden and Victor Morawetz, by the Amsterdam Committee, and Edward King, by the New York, London and Amsterdam Committees jointly.

NOW, THIS AGREEMENT WITNESSETH: That each and every person who shall deposit with the Depositories specified in said Plan, or with any other depositary appointed as provided in this Agreement, any stock, bond or other obligation of the Atchison, Topeka and Santa Fé Railroad Company, or of any of the other companies mentioned in said Plan, hereby promises and agrees to and with the Joint Executive Committee, and to and with each and every other party hereto, and the said Committees and the Depositories do respectively agree each for itself and not for the other or others, as follows:

*First.*—A printed copy of this Agreement, certified by at least six members of the Joint Executive Committee, shall be lodged with each Depositary specified in the Plan or hereafter appointed, and all or any of the copies so certified shall be taken as one original agreement. The annexed Plan of Reorganization is a part of this Agreement, and said Plan and this Agreement shall be taken and construed together as one instrument, and as though all the provisions of said Plan were embodied herein. It is understood, however, that no estimate, statement or explanation in said Plan or in the accompanying circular is intended or shall operate as a representation or warranty, or shall be a condition of the deposit of securities hereunder, and no error therein shall release any Depositing Security-Holder except with the consent of the Joint Executive Committee.

*Second.*—Holders of bonds or stock of the Atchison Company may become parties to this Agreement by depositing their securities and paying the assessments thereon upon the terms and conditions specified in said Plan and in this agreement, and within the times limited as therein provided. Holders of bonds of any

of the auxiliary companies or companies embraced in their systems to whom terms of participation shall be offered by the Joint Executive Committee, may in like manner deposit their bonds and become parties hereto upon the terms offered and within the times fixed by said Committee, and subject to the provisions of said Plan and this Agreement.

The deposit of securities hereunder and the acceptance of Reorganization Certificates of Deposit therefor shall constitute the respective Depositing Security-Holders parties to this Agreement and bound by all the terms thereof with the same effect as if they had affixed their hands and seals hereto. The Depositing Security-Holders must in all cases deposit with the certificates for their stock or with their bonds or other securities, such transfers, assignments and powers of attorney as may be required by the Joint Executive Committee, in order to vest in said Committee, or to enable it to transfer the complete and absolute title to such stock, bonds or other securities; and the Depositing Security-Holders respectively agree at any time on demand of said Committee to execute any and all other transfers, assignments or writings necessary for vesting complete ownership of the bonds, stocks or other securities deposited hereunder in said Committee or in its nominees or for the purpose of enabling said Committee to carry out said annexed Plan of Reorganization.

Stockholders of the Atchison Company must, at the time of depositing their stock, pay to the respective Depositories a first instalment of \$3 per share on account of the assessment of \$10 per share mentioned in the Plan. The balance of the assessment shall be payable in instalments of not more than \$3 each and at intervals of not less than thirty days, when and as called for by the Joint Executive Committee upon advertisement of notice in each instance, as provided in Article Thirteenth hereof. Such instalments must be paid to the respective Depositories or their agents, and must be receipted for by such Depositories or agents on the respective Reorganization Certificates of Deposit issued by them for said stock.

Holders of Atchison Second Mortgage A Bonds, Second Mortgage B Bonds, or Income Bonds of 1889, must, at the time of depositing their bonds, pay to the respective Depositories a first instalment of 2 per cent. upon the par amount of their bonds on account of the assessment of 4 per cent. on said bonds mentioned in the plan. The balance of the assessment on such bonds, namely, 2 per cent. on the par amount thereof, must be paid when called for by the Joint Executive Committee upon advertisement of notice as provided in Article Thirteenth hereof, when the new Preferred Stock is ready for delivery.

Holders of Reorganization Certificates of Deposit for deposited Atchison stock, Second Mortgage A Bonds, Second Mortgage B Bonds, or Income Bonds, who fail to pay any of the several instalments of the assessment on or before the respective dates fixed or limited by the Joint Executive Committee, upon advertisement of notice as provided in Article Thirteenth hereof, shall cease to be parties hereto or entitled to any benefit hereunder or in the securities deposited or assessments paid; and shall absolutely forfeit, without right of redemption, their stock or bonds deposited and all rights hereunder, together with the amount of assessments paid to the date of such default; and said Committee may sell or dispose of such forfeited stock and bonds, or the new securities which may be issued in respect thereof to any purchaser paying the unpaid instalments of the assessments or such other amount as said Committee may determine, and the proceeds thereof, together with the instalments of assessments paid by defaulting depositors, may be used for any of the requirements of carrying out the Plan of Reorganization or any amendment thereof and as a reserve for the uses of the new Company.

The Joint Executive Committee may, however, in its discretion, on such terms as said Committee shall see fit, waive, by resolution, any such forfeiture, and accept payment of overdue instalments of assessments at any time before filing its accounts with the new Company.

The terms "depositing security-holders," "security-holders," "stockholders" or "holders" of securities or Reorganization Certificates of Deposit, or words equivalent thereto, shall be held to include trustees, guardians and other persons acting in a representative or fiduciary capacity.

*Third.*—The Joint Executive Committee shall have power to fix or limit the time within which all or any class of Security-Holders may deposit their securities and become parties to this Agreement as herein provided, and may, in its discretion, and on such terms and conditions as it may see fit, either generally or in special instances, extend or renew the time so fixed or limited.

Notice of the time so fixed or limited and of any general renewal or extension thereof shall be advertised in the manner provided in Article Thirteenth hereof.

Holders of securities not deposited in the manner herein provided within the times so fixed, limited, extended or renewed will not be entitled to deposit the same or become parties to this Agreement or share in the benefits thereof and shall acquire no rights thereunder, except by express consent of the Joint Executive Committee and on such terms and conditions as said Committee may prescribe.

The Depositing Security-Holders shall receive Reorganization Certificates of Deposit in a form to be approved by the Joint Executive Committee, specifying the securities deposited and assessments paid thereon; and the



holders of such Reorganization Certificates of Deposit shall (subject to any special provisions contained in such certificates) be entitled to the rights, benefits and advantages specified in this Agreement and said annexed Plan, and shall be bound by all the provisions thereof.

The respective Reorganization Certificates of Deposit and the interests represented thereby and all rights of the holders in respect of the deposited securities and the assessments paid for which such certificates were issued, shall be transferable, subject to the terms and conditions of this Agreement, in such manner as the Joint Executive Committee shall approve, and upon such transfer the transferees and holders of such Reorganization Certificates of Deposit shall for all purposes be substituted in place of the prior holders, subject to this Agreement.

Each Reorganization Certificate of Deposit may be treated by the Committees and Depositaries as a negotiable instrument, and the holder for the time being shall be deemed to be the absolute owner thereof and of all rights of the depositor of the bond or stock in respect of which the same was issued, and none of the Committees, nor any Depositary, shall be affected by any notice to the contrary.

The new securities to be issued in exchange for the Reorganization Certificates of Deposit issued by the Depositaries in London and Amsterdam (whether as principals or as agents for any American Depositary) shall, when ready for delivery, be transmitted by the Joint Executive Committee to said Depositaries respectively, to be delivered to the holders of the Reorganization Certificates of Deposit upon surrender and cancellation thereof.

The expenses of insurance and transmission of the deposited securities by the London and Amsterdam and other Depositaries, and of the new securities to such Depositaries, and the usual stamp duties required by law in Great Britain and Holland on the Certificates of Deposit and on the new securities shall be payable as part of the expenses of reorganization.

*Fourth.*—All deposits of securities under this Agreement in America shall be made with, and the assessments on such securities be paid to, the American Depositaries mentioned in said Plan, and such other Depositaries in America as may be appointed by the Joint Executive Committee, with the approval of the New York Committee. All deposits of securities under this Agreement in Great Britain shall be made with, and the assessments on such securities be paid to, the London Depositary mentioned in the plan, and any other Depositaries in Great Britain who may be appointed by the Joint Executive Committee, with the approval of the London Committee. All deposits of securities under this Agreement on the Continent of Europe shall be made with, and the assessments on such securities be paid to, the Amsterdam Depositaries mentioned in the plan, and any other Depositaries on the Continent of Europe who may be appointed by the Joint Executive Committee, with the approval of the Amsterdam Committee.

Any of the Depositaries may, however, appoint and authorize any other Depositary or any agent approved by the Joint Executive Committee to receive deposits of securities and payment of assessments and to issue Certificates of Deposit as agents for the Depositaries making such appointment; and the several Depositaries may make such arrangements among themselves as will enable the holders of Reorganization Certificates of Deposit, issued by any Depositary, to exchange the same for similar certificates issued by any other Depositary; and may transmit to each other deposited securities corresponding to any exchange of certificates so made.

All securities shall be deposited and cash assessments be paid, subject to the terms of this Agreement, and the respective Depositaries by whom or for whose account the securities and assessments shall have been received shall respectively deliver all such securities, and pay over such assessments received by them upon the order of the Joint Executive Committee.

*Fifth.*—This Agreement shall not be construed to create any trust, liability or obligation to or in favor of any person or corporation, except the respective Committees and Depositaries and the holders, from time to time of the Reorganization Certificates of Deposit issued by the Depositaries in accordance with this Agreement.

The bonds deposited under this Agreement and all Receivers' Certificates, coupons and claims, purchased or otherwise acquired under this Agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied or discharged by the delivery to the Depositing Security-Holders of new securities in respect thereof, and no legal right or lien shall be deemed released, waived or surrendered, but said bonds and other claims, and any deficiency judgment obtained in respect of any of said deposited bonds, and any judgment upon any of said claims, may be enforced by the Joint Executive Committee, or its assigns, until paid in full.

*Sixth.*—The Depositing Security-Holders respectively agree that the legal title to all the bonds, stocks or other securities deposited hereunder shall vest in the Joint Executive Committee hereunder, and that said Committee shall have and exercise with respect thereto all the rights and powers of absolute ownership, and may transfer the same or any part thereof into the names of said Committee, or of any trust company or person or

persons whom said Committee may select. Said Committee shall be entitled, as holder of all or any of said securities, to call and to attend and vote at any meeting or meetings of Stockholders or Bondholders in person, or by its proxy or agent; to declare due the principal of any of said bonds or obligations and to revoke such declaration; to exercise every other power conferred upon the holders of such bonds by the terms thereof, or by the respective mortgages securing the same, or otherwise; to institute or become parties to any legal proceedings which any of such Security-Holders could institute or become parties to, and to become parties to and exercise control over all legal proceedings now pending, including the right to apply for receivers, or for the removal of receivers and the substitution of other receivers, and for the termination of any receivership; to enter into any settlement of any litigation, now or at any time hereafter threatened or pending, upon such terms as the Committee may deem advisable; to purchase or otherwise acquire, or contract for the purchase or satisfaction of any liens upon any part of said railroads or property, or claims against either of said railway companies, or the receivers of the property thereof; to compromise or settle with secured or unsecured creditors or other Security Holders, or any Committee representing them, or to take any action or proceeding which the Committee may, in its discretion, deem proper for the purpose of obtaining, securing, or perfecting the title, ownership and possession of the railroads or other property of said companies mentioned in the plan, or any part thereof, of whatsoever nature, and where-soever situated, or for the purpose of expediting the reorganization or avoiding litigation, to incur all necessary expenses, and in general to do every act, which, in the opinion of said Committee, may be judicious or advisable for the purpose of carrying out said Plan of Reorganization; it being hereby expressly declared that the specification of particular powers herein shall not be construed as limiting the general powers hereby granted, and that the exercise of the powers by this agreement conferred upon the Committee shall be entirely discretionary with it.

*Seventh.*—The Joint Executive Committee shall be authorized, in its discretion, to bid at any foreclosure or other sale for all or any of the property of the Atchison Company or of any of the other companies mentioned in the Plan, or of any Company, the whole or part of whose bonds or stock are covered by the General Mortgage of the Atchison Company, and to purchase or cause to be purchased any such property at any price which said Committee may, in its judgment, deem advisable. Said Committee shall also have power, in its discretion, at or before or after any such sale, to arrange and agree for a re-sale of any portion of the property purchased; to make any such purchase in the name of any person or corporation by it chosen for that purpose; to apply the deposited securities or any of them, as far as may be, in satisfaction of any bid, or towards obtaining funds for the payment of the purchase-price of any property purchased; to procure the incorporation of a new railroad company or new railroad companies, under the laws of the State of Kansas, or any other State or States, and to transfer the railroads and property purchased, or any part thereof, and any of the deposited securities, to such new corporation or corporations, and to make such arrangements and take such steps as said Committee shall deem proper, for the purpose of creating the new securities specified in said Plan and carrying out all the provisions thereof.

*Eighth.*—The Joint Executive Committee shall be authorized to purchase at such prices as said Committee shall see fit any notes or other indebtedness of the Atchison Company or any of said auxiliary companies, and any receiver's certificates or obligations which may be issued or incurred by the Receivers of said Atchison Company, or any of said auxiliary companies, or of any company comprised in the system of the Atchison Company, and may apply, for that purpose, any moneys received by said Committee from the assessments on the stock and bonds or which may be otherwise received or raised under the provisions of this Agreement.

Said Committee may borrow money for the purpose of paying any expenses incurred under this Agreement to an amount not exceeding one-half of one per cent. on the par amount of each bond or share of stock deposited, and all expenses heretofore or hereafter incurred by any of the Committees shall be a charge upon the deposited securities to an amount not exceeding one-half of one per cent. of the par amount thereof. Said Committee may sell or otherwise dispose of upon such terms and conditions and at such prices as it shall deem proper, the new bonds and stock which Security-Holders who do not become parties hereto would have become entitled to receive if they had deposited their securities and complied with the provisions hereof, and said Committee may issue, or cause to be issued, interim receipts or certificates, representing and entitling the holders to receive such new bonds and stocks when issued.

The Joint Executive Committee may make contracts with syndicates, bankers and others to obtain an amount of money equal to the assessment upon the stock and bonds of Non-Assenting or Non-Paying Stockholders and Bondholders, and to entitle such syndicates, bankers or others to receive the new Common and Preferred Stock which such Non-Assenting or Non-Paying Stockholders and Bondholders would have been entitled to receive if they had assented and paid their assessment in full, and it may also from time to time make contracts with syndicates, bankers and others to aid in procuring the deposit of securities hereunder, and to obtain, by loan, guaranty or by the sale of the new securities to be created or otherwise, on such terms,



conditions and rates as said Committee may deem proper, any moneys required to carry out said Plan and this Agreement, including such sums as it may deem expedient to provide for the uses of the new Company; and said Committee may charge the deposited securities and the new securities to be issued with any such contracts, and pledge the same for the payment of any moneys borrowed and interest thereon, and other obligations incurred under the powers herein conferred, including compensation to syndicates, which items may be additional to the expenses hereinbefore limited to one-half of one per cent. on the securities deposited. Present or future members of any of the Committees may be pecuniarily interested in any class of securities which may be deposited hereunder, and in matters which are the subject of this agreement, and may make contracts with any of the Committees and be members of any syndicate and share in the profits thereof.

The Joint Executive Committee, may, in its discretion, set apart and place in trust with any trust company any part of the new securities to be issued or cash which may be received from sales of such new securities, or otherwise, as it may deem judicious, for the purpose of securing the application thereof for any of the purposes of said Plan and this Agreement.

*Ninth.*—The Joint Executive Committee shall be the sole Judge when and whether the deposit of a sufficient amount of securities of the Atchison Company or any of the other companies mentioned in the Plan shall have been obtained to warrant said Committee in carrying out the Plan or any part thereof.

In case said Committee should conclude that a sufficient amount of the bonds of any of the auxiliary companies, or of the bonds of any company included in the system of any such auxiliary company, shall not have been deposited under this agreement pursuant to any offer which may hereafter be made to the holders of such bonds by the Joint Executive Committee to render it advisable to include such company or companies in the reorganization, then said Committee may wholly exclude the same from the Plan and withdraw all terms for the deposit of bonds of such company or companies under this Agreement by publishing notice of such exclusion as provided in Article Thirteenth hereof. In case any company shall be so excluded, any other company included in its system may also be excluded irrespective of the amount of the bonds of said companies deposited. After the first publication of such notice the holders of Reorganization Certificates representing deposited bonds of the company or companies so excluded shall be entitled to withdraw their securities (or like securities of the same issues) from the Depositaries thereof without charge or expense upon surrender of the respective Reorganization Certificates of Deposit issued therefor, and the Committee may proceed to carry out the Plan as to the Atchison Company and any other company or companies mentioned in the Plan which shall not be so excluded; but the Committee may, in its discretion, offer new terms to the Bondholders of any company so excluded and again include such company in the Reorganization.

In case the Joint Executive Committee for any reason shall determine that it has become inexpedient to carry into effect the Plan or any amendment thereof as to the Atchison Company, then all the securities deposited by the parties hereto (or like securities of the same issues), or their proceeds, together with the assessments paid, shall be delivered and paid to the holders of the respective Reorganization Certificates of Deposit issued for such securities upon surrender of such Reorganization Certificates of Deposit to such Depositaries, and payment of a *pro rata* share of the expenses and compensation of all the Committees, and any other expenditures made by the Joint Executive Committee under the powers herein conferred; it being understood that each Depositing Security-Holder shall be required to pay a *pro rata* share according to the par amount of his securities. Any interest paid or advanced to holders of Reorganization Certificates of Deposit in respect of deposited bonds represented by such certificates or in respect of the new bonds to be issued in exchange therefor under the Plan, must, in such case, be repaid by the holders of such Reorganization Certificates of Deposit before the deposited bonds represented by such certificates shall be surrendered in exchange therefor.

In any such case, if any sums collected on account of the assessment shall have been applied by the Joint Executive Committee in the purchase of coupons, receivers' certificates or other claims, then such coupons, receivers' certificates or other claims, or the net proceeds thereof when received, shall be held in lieu of such assessment moneys and be distributed among the respective holders of the Reorganization Certificates of Deposit in lieu of such assessment moneys, as aforesaid.

Such return of deposited securities and assessment moneys shall be made through the respective Depositaries, whose Certificates of Deposit shall be outstanding or their agents.

*Tenth.*—The Joint Executive Committee may supply any omission or correct any error in the Plan or in this Agreement, and may modify or depart from any provisions thereof which said Committee shall unanimously deem not to be substantial. In case, however, in the opinion of said Committee, any change or alteration of the Plan substantially affecting any class of deposited securities shall be necessary, such amendment shall be made only in the following manner:

A copy of the proposed change or alteration shall be submitted to the New York, London and Amsterdam Committees, and, when approved of by any two of said Committees, shall be lodged with each of the Depositaries under this Agreement, and a notice thereof shall be advertised in the manner specified in Article Thirteenth hereof. Thereupon any holders of Reorganization Certificates of Deposit representing deposited securities of the class or classes so affected by the proposed change or alteration, who do not assent to such alteration may, at any time before a date specified in such advertisement, which date shall be at least thirty days after the first publication of such advertisement, withdraw the securities represented by their Reorganization Certificates of Deposit and the assessments paid on the stock and bonds deposited, upon surrendering their Reorganization Certificates of Deposit to the proper depositaries and paying their *pro rata* shares of the expenses and other expenditures and compensation of the Committees incurred up to the date of such withdrawal. Any interest paid or advanced to holders of Reorganization Certificates of Deposit in respect of deposited bonds represented by such certificates or in respect of the new bonds to be issued in exchange therefor under the Plan, must, in such case, also be repaid by the holders of such Reorganization Certificates of Deposit before the deposited bonds represented by such certificates shall be surrendered in exchange therefor. All holders of Reorganization Certificates of Deposit who shall not exercise this right to withdraw their securities within said time shall be deemed to have assented to and adopted such alteration and shall be bound thereby, and the Joint Executive Committee shall be fully authorized to carry the same into effect with all the powers provided in this Agreement.

Wherever the Plan of Reorganization is referred to in this Agreement, it shall be deemed to include any alteration thereof so adopted.

*Eleventh.*—The Joint Executive Committee shall prescribe the terms and provisions of the new securities and other instruments and determine the methods of creating them. The first Board of Directors of the new Company shall, unless unanimously agreed upon by the Joint Executive Committee, be selected as follows: The members of the Joint Executive Committee nominated by the New York Committee shall select such part of the whole number of the first board as will be, as nearly as possible, in proportion to the part of the whole amount of deposited General Mortgage Bonds and Second Mortgage Bonds which shall have been originally deposited in America with any Depositary or the agents of any Depositary; the members nominated by the London Committee shall select such part of the first board as will be, as nearly as possible, in proportion to the part of the whole amount of deposited General Mortgage Bonds and Second Mortgage Bonds which shall have been originally deposited in Great Britain with any Depositary or the agents of any Depositary; and the members nominated by the Amsterdam Committee shall select such part of the first board as will be, as nearly as possible, in proportion to the part of the whole amount of deposited General Mortgage Bonds and Second Mortgage Bonds which shall have been originally deposited on the continent of Europe with any Depositary or the agents of any Depositary.

*Twelfth.*—Six members of the Joint Executive Committee, present in person or by proxy, shall constitute a quorum, and no action shall be taken without the affirmative consent of six members, except as provided in paragraph eleventh hereof; and in all other cases except where unanimity is prescribed the action of six members of the Joint Executive Committee shall be binding, and have the same effect as if assented to by the full Committee. The Committee may adopt its own rules of procedure, and it may employ such counsel, attorneys in fact, and agents as it deems necessary, and fix the compensation for their services, and may make such other expenditures as it shall in good faith deem necessary for the purpose of carrying out this Plan and Agreement. It may also procure the performance of any of the matters and things herein provided for by such subcommittees, agents and attorneys, as it may, in its discretion, deem proper. It shall keep a record of its proceedings. Any member may by written appointment empower any other member of the Joint Executive Committee, or of either the New York, the London, or the Amsterdam Committee, or any person approved by the Joint Executive Committee, to vote and act as his proxy with all the powers of the member making the appointment, provided that any nominees of the New York Committee may appoint Mr. Charles C. Beaman, and that Mr. Edward King may appoint Mr. Wheeler H. Peckham to vote and act as proxy as aforesaid. Any member may resign, and the Committee may give a full release and discharge to any such member, and to the personal representatives of a deceased member. Successors to members of the Joint Executive Committee whose places shall have become vacant shall be appointed as follows, viz.: The successors to R. Somers Hayes, Edward N. Gibbs, George G. Haven or Adrian Iselin, Jr., respectively, shall be appointed by the New York Committee; successors to Robert Fleming and C. Sligo de Pothonier, respectively, shall be appointed by the London Committee; successors to John Luden and Victor Moravetz, respectively, shall be appointed by the Amsterdam Committee, and the successor to Edward King shall be appointed by a majority of the remaining members of the Joint Executive Committee. The Joint Executive Committee may add to its number with the approval of the New York, the London and the Amsterdam Committees, in which case the number of members required to constitute a quorum may also be increased. All title, rights and powers vested in any Committee hereunder shall from time to time vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever.



The Joint Executive Committee undertakes in good faith to endeavor to carry out said Plan and this Agreement, but neither the members of the Joint Executive Committee, nor the members of any of the other Committees, assume any personal responsibility for the execution thereof. No member of the Joint Executive Committee or of any of the other Committees shall be liable in any case for the acts of the other members or of the other Committees or of any Depositary, nor for the acts of their agents, subcommittees or employees; nor shall they be personally liable for any error of judgment or mistake of law, but each shall be liable only for his willful misfeasance. No Depositary shall be liable for the acts of any of the Committees or of any other Depositary hereunder, or of any agents of any Depositary appointed with the consent of the Joint Executive Committee.

The members of the Joint Executive Committee and of the New York, London and Amsterdam Committees, respectively, shall be entitled to receive reasonable compensation for their services, and such compensation with the reasonable expenses of said Committees respectively, shall be paid by the Joint Executive Committee as part of the expenses of reorganization, the amounts of such compensation and expenses being first approved of by at least six members of the Joint Executive Committee, which six members shall include at least one nominee of each of the other Committees. The compensation of the members of the Joint Executive Committee shall be subject to the approval of Mr. John A. Stewart, President of the United States Trust Company, or his successor, and Mr. Frederick D. Tappen, President of the Gallatin National Bank, or his successor, or, in case of their disagreement, of an umpire selected by them. The accounts of the Joint Executive Committee shall be filed with the Board of Directors of the new Company, and, when audited by said Board of Directors, shall be binding and conclusive on all parties, and the Committee shall be thereby discharged.

*Thirteenth.*—All calls for the deposit of bonds and stocks, the payment of instalments of assessments and for the surrender of certificates, and all other notices hereunder or under any agreement contemplated herein shall, except when otherwise provided, be advertised at least twice a week for two successive weeks in two daily newspapers published in the City of New York, in two daily newspapers published in the City of Boston, in two daily newspapers published in London, and in two newspapers published in Holland. When so published the notice shall be taken and considered as personally served upon all the Security-Holders and holders of Reorganization Certificates of Deposit, as of the respective dates of each insertion thereof, and such notice shall be the only notice required to be given under any provision of this Agreement or of the various agreements herein contemplated. Any Committee may, however, in its discretion cause such further and additional notice to be given as it may deem proper.

*Fourteenth.*—This agreement shall bind the respective Committees and respective Depositaries and Depositing Security-Holders and their and each of their successors, heirs, executors, administrators and assigns.

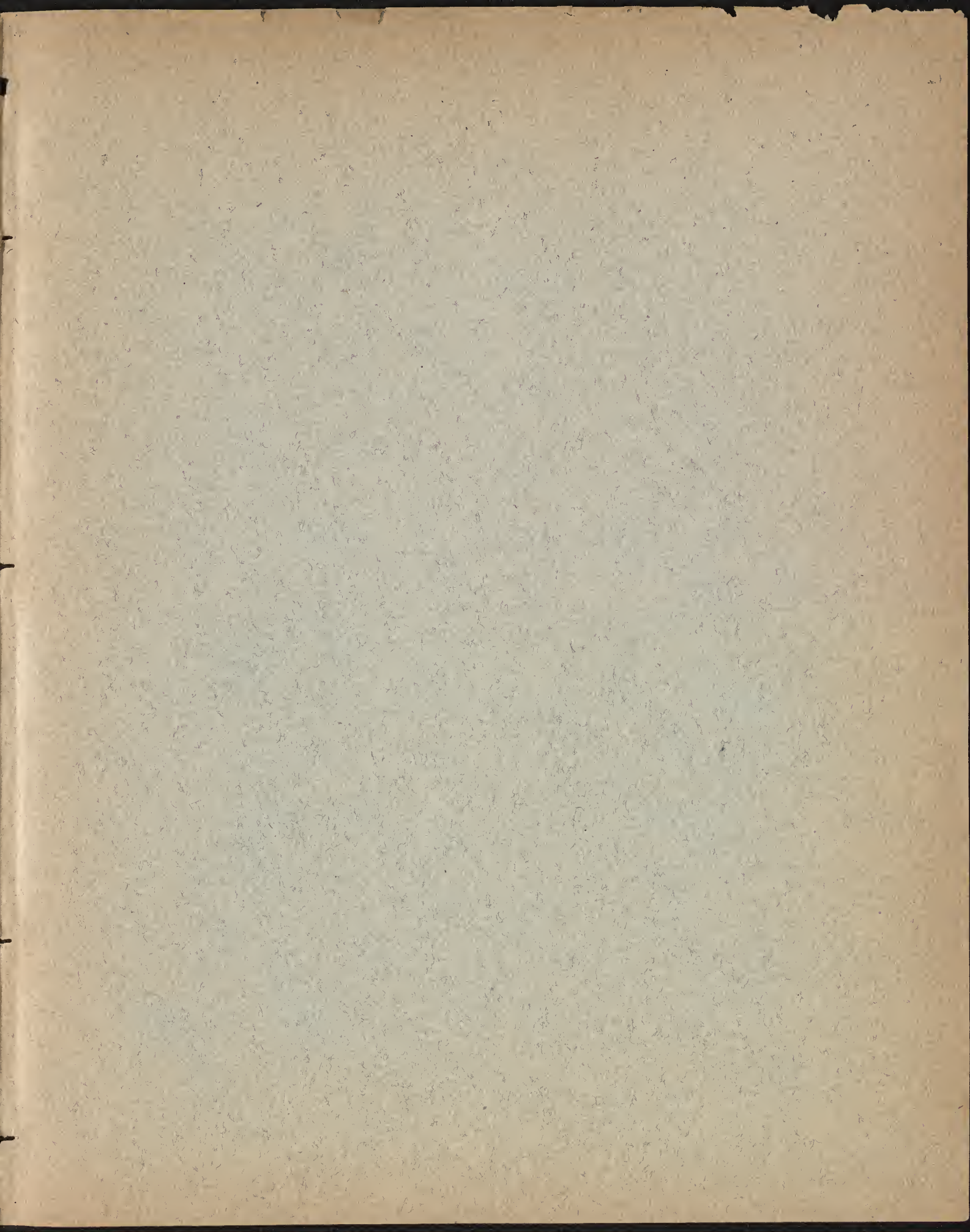
*Fifteenth.*—The respective Committees and Depositaries do not guarantee the genuineness of any bond or stock certificate in respect of which a Reorganization Certificate of Deposit is issued, and they respectively reserve to themselves the right to call in any such certificate upon returning to the holder of such certificate the Bond or Stock Certificate deposited in respect thereof in case the genuineness of such Bond or Stock Certificate is disputed or doubtful.

*Sixteenth.*—The New York and London Committees, by a majority of their members, and the Amsterdam Committee, shall respectively sign and deliver to the Joint Executive Committee a copy of this Agreement, and shall receive a copy thereof signed by the Joint Executive Committee as herein provided, in testimony of their mutual obligations hereunder. It is agreed that any of the provisions of this Agreement applicable to any of the Committees or relating to any of their respective powers or proceedings hereunder or as to the receipt of deposits and the issue of reorganization certificates of deposit hereunder, may be altered at any time by agreement among the several Committees.

IN WITNESS WHEREOF, the Joint Executive Committee has caused this Agreement to be signed, and the parties of the second part have deposited their securities as above set forth.











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**REORGANIZATION**  
**OF THE**  
**BALTIMORE AND OHIO RAILROAD COMPANY.**

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**PLAN AND AGREEMENT.**

DATED JUNE 22d, 1898.

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**REORGANIZATION COMMITTEE.**

LOUIS FITZGERALD, *Chairman.*  
AUGUST BELMONT.  
EDWARD R. BACON.  
HENRY BUDGE.  
EUGENE DELANO.  
WILLIAM A. READ.  
HOWLAND DAVIS.

WILLIAM C. GULLIVER,  
*Counsel to Reorganization Committee.*

H. C. DEMING,  
*Secretary.*

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**REORGANIZATION MANAGERS.**

SPEYER BROTHERS,  
7 LOTHBURY, LONDON.

SPEYER & CO.,  
30 BROAD STREET, N. Y.

KUHN, LOEB & CO.,  
27 PINE STREET, N. Y.

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**COUNSEL TO REORGANIZATION MANAGERS.**

SEWARD, GUTHRIE & STEELE,  
40 WALL STREET, N. Y.

EVARTS, CHOATE & BEAMAN,  
52 WALL STREET, N. Y.

FRESHFIELDS & WILLIAMS,  
LONDON.

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**ADVISORY COMMITTEE.**

EDWARD R. BACON.

LOUIS FITZGERALD.  
HENRY BUDGE.

WILLIAM A. READ.

WILLIAM C. GULLIVER,  
*Counsel to Advisory Committee.*

ALVIN W. KRECH,  
*Secretary,*  
120 Broadway, N. Y.

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**DEPOSITARY.**

THE MERCANTILE TRUST COMPANY OF NEW YORK.

LONDON AND WESTMINSTER BANK, LIMITED, LONDON AGENT..





# REORGANIZATION

OF

## THE BALTIMORE AND OHIO RAILROAD COMPANY.

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The undersigned Committee, at the request of holders of a large amount of the securities, has been for a long time past engaged in an examination of the affairs of The Baltimore and Ohio System and the relative value and earning capacity of the various lines comprised therein, with a view to formulating a plan of reorganization therefor which should fairly recognize the rights of all security holders, and at the same time bring the fixed charges of the reorganized Company safely within the net earning capacity of the system. Much time and attention have been devoted to acquiring full and accurate information as to all details, including a careful examination of the Company's accounts for the period of nine years and six months, made by Mr. Stephen Little on behalf of the Committee. The aim of the Committee has been to formulate a plan for the reorganization of the system which should accomplish the following results :

- (a) The reduction of the fixed charges to a limit safely within the net earning capacity of the reorganized properties ;
- (b) Adequate capital for present and future requirements ;
- (c) The payment of floating debt and provision for existing car-trust obligations ;
- (d) The preservation of the integrity of the system as far as the same can be economically and advantageously accomplished and such control of the reorganized Company as shall secure a satisfactory management of the property for a period of years.

Having these objects in view, the annexed plan has been prepared, and Messrs. Speyer & Co. and Messrs. Kuhn, Loeb & Co., of New York, and Messrs. Speyer Brothers, of London, have been selected by the Committee to act as Reorganization Managers to carry out the plan.

Messrs. Louis Fitzgerald, Henry Budge, Edward R. Bacon and William A. Read have been appointed an Advisory Committee to continue and complete the work of the Reorganization Committee and to consult and co-operate with the Reorganization Managers. Any vacancy in the Advisory Committee occasioned by death, resignation or otherwise may be filled by the joint action of the Reorganization Managers and of the remaining members of the Advisory Committee.

NEW YORK, June 22, 1898.

LOUIS FITZGERALD,  
AUGUST BELMONT,  
EDWARD R. BACON,  
HENRY BUDGE,  
EUGENE DELANO,  
WILLIAM A. READ,  
HOWLAND DAVIS,

*Reorganization Committee.*



PLAN FOR THE REORGANIZATION  
OF  
THE BALTIMORE AND OHIO RAILROAD COMPANY.

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**CONDITIONS OF PARTICIPATION.**

Participation under this Plan of Reorganization in any respect whatsoever is dependent upon the deposit of securities with The Mercantile Trust Company, of New York, the Depositary named in the Reorganization Agreement, either at its office, No. 120 Broadway, in the City of New York, or at The London and Westminster Bank, Limited, its agency in the City of London, England, within such time as may be fixed by notice, and the Plan will embrace only securities so deposited. No securities will be received on deposit unless in negotiable form, and bonds must carry all coupons (or claims for interest on registered bonds) maturing on or after July 1, 1898. The First Mortgage Six Per Cent. Bonds of the Washington City and Point Lookout Railroad Company must also carry all matured and unpaid coupons.

Pursuant to the offer of the Syndicate hereinafter stated, holders of the first and second preferred and common stock of the Baltimore and Ohio Railroad Company may purchase from the syndicate the new preferred and common stock by depositing their old stock with The Mercantile Trust Company or its agency in London as above stated, on the following terms: As consideration for shares of the new Company, depositors of first preferred stock must pay \$2 per share deposited, for new preferred and common stock; depositors of second preferred stock must pay \$20 per share deposited, for new preferred and common stock, and depositors of common stock must pay \$20 per share deposited, for new preferred and common stock, all as hereinafter indicated on page 10.

The payments by depositors of such preferred and common stocks must be made for account of the Syndicate at the offices of The Mercantile Trust Company in New York, or at its Agency in London above named, in not less than three installments at least thirty (30) days apart, when and as called for by advertisement published in each instance at least twice a week for two weeks in at least two of the daily newspapers of general circulation published in the Cities of New York, Baltimore and London respectively.

All payments must be receipted for by the Depositary or its London Agent on the Certificates of Deposit.

Failure to pay any installment when and as payable will subject the deposited stock and all rights on account of any prior payments to forfeiture to the Syndicate as provided in the Reorganization Agreement.

The Depositary will issue proper receipts or certificates of deposit for all securities deposited.

**THE FOLLOWING BONDS, COUPONS AND STOCKS MAY BE DEPOSITED ON  
THE TERMS HEREINAFTER PROVIDED:**

Baltimore and Ohio Railroad Company Bonds, Loan of 1853, Extended to 1935 at Four Per Cent.  
Baltimore and Ohio Railroad Company 100-Year Five Per Cent. Consolidated Mortgage  
Bonds of 1888.

Baltimore and Ohio Railroad Company Sterling Six Per Cent. Loan of 1872, Due March 1, 1902.

Baltimore and Ohio Railroad Company Sterling Six Per Cent. Loan of 1874, Due May 1, 1910.

Baltimore and Ohio Railroad Company Six Per Cent. Loan of 1879, Due April 1, 1919  
(Account Parkersburg Branch Railroad Company).



Baltimore and Ohio Railroad Company Five Per Cent. Bonds, Loan of 1885 (Account Pittsburgh and Connellsville Railroad Company).

Baltimore and Ohio Railroad Company Four and One-Half Per Cent. Terminal Mortgage Bonds of 1894.

Baltimore and Ohio Railroad Company Sterling Four and One-Half Per Cent. Loan of 1883, Philadelphia Branch.

Baltimore and Ohio Railroad Company Sterling Five Per Cent. Loan of 1877, Due June 1, 1927 (Account Baltimore and Ohio and Chicago Railroad Company).

Baltimore and Ohio Railroad Company First Preferred Stock.

Baltimore and Ohio Railroad Company Second Preferred Stock.

Baltimore and Ohio Railroad Company Common Stock.

Pittsburgh and Connellsville Railroad Company First Mortgage Bonds, Extended to 1946 at Four Per Cent.

Pittsburgh and Connellsville Railroad Company First Mortgage Seven Per Cent. Bonds, due July 1, 1898.

Pittsburgh and Connellsville Railroad Company Six Per Cent. Consolidated Mortgage Bonds.

Akron and Chicago Junction Railroad Company First Mortgage Five Per Cent. Bonds.

Akron and Chicago Junction Railroad Company Preferred Stock.

Washington City and Point Lookout Railroad Company Six Per Cent. Bonds.

Matured and Unpaid Coupons (and claims for interest on registered bonds), appertaining to any of the above-named Bonds except those of the Washington City and Point Lookout Railroad Company may be deposited separate from the Bonds as hereinafter stated.

### **NEW RAILROAD COMPANY.**

Unless the Reorganization Managers shall decide to proceed without foreclosure or sale, the various properties will be sold under foreclosure of one or more of the existing mortgages, or otherwise dealt with, and a successor company or companies will be organized. The term "New Company," as hereinafter used, is intended to mean either the existing company or the new proprietary company or companies which may be organized.

### **DEPOSITED SECURITIES.**

The securities deposited hereunder will be held by the Depositary subject to the order and control of the Reorganization Managers as provided in the Reorganization Agreement.

All securities deposited under the Plan are to be kept alive so long as deemed necessary by the Managers for the purposes of reorganization or the protection of the New Company, or its security holders.

All matured and unpaid coupons and claims for interest on registered bonds, (excepting the unpaid coupons on the First Mortgage Six Per Cent. Bonds of the Washington City and Point Lookout Railroad Company, which matured and unpaid coupons, however, must be deposited with the bonds as above stated) may be deposited separate from the bonds, and the same will be paid in cash as soon as practicable after the plan is declared operative, with interest on such coupons (and claims for interest on registered bonds) at the rate of five per cent. per annum from the date of maturity up to the date when the same are finally paid. Interest will also be paid in cash upon the completion of the reorganization on all deposited bonds (excepting the First Mortgage Six Per Cent. Bonds of the Washington City and Point Lookout Railroad Company above mentioned), at the rate provided in the old bonds, up to July 1, 1898, from the coupon date last preceding.

The Syndicate will purchase such coupons (and claims for interest on registered bonds) matured prior to July 1, 1898, from holders who do not desire to deposit the same under the plan (provided, and so soon as, the bonds to which such coupons, and claims for interest on registered bonds, appertain, have been deposited), at their face value with interest at the rate of five per cent. per



annum from the respective dates of maturity of such coupons or claims for interest, to date of purchase, provided such coupons and claims for interest on registered bonds shall be presented for sale to the Syndicate, at the office of the Mercantile Trust Company in New York or at its London agency above mentioned, on or before July 22, 1898.

The Syndicate has agreed to purchase for cash, upon the Plan being declared operative, all Baltimore and Ohio Railroad Company 100-Year Five Per Cent. Consolidated Mortgage Bonds, deposited under the Plan, whose holders prefer to accept cash rather than to take the new securities, at the price (in New York) of 110 and interest accrued and unpaid since the maturity of the last paid coupon, provided such holders shall signify their election to take cash in the manner and within the time hereinafter limited: depositors electing to receive cash for their bonds must signify their election by presenting their Mercantile Trust Company certificates of deposit at the office of that Company in New York or at its London agency above specified, within sixty days from the time the Plan shall be actually issued, to be stamped as electing to accept such cash payment, and will thereupon be entitled to receive such cash payment so soon as the Plan is declared operative by the Reorganization Managers, upon surrender of their certificates of deposit so stamped.

### NEW STOCKS AND BONDS.

The New Company is to authorize the following securities:

#### FIRST.

\$70,000,000 PRIOR LIEN THREE AND ONE-HALF PER CENT. GOLD BONDS, DUE 1925.

These bonds will bear interest from July 1, 1898, and are to be secured by a mortgage upon the Main Line and Branches, Parkersburg Branch and Pittsburg Division (see Appendix, Table C) when acquired by the New Company, covering about 1,017 miles of first track, and about 964 miles of second, third and fourth tracks and sidings and also all the equipment now owned by the Company of the value of upwards of \$20,000,000 (see Appendix, Table E) or hereafter acquired in any manner except by the use of the \$34,000,000 reserved First Mortgage Bonds, as hereinafter stated.

The right will be reserved to issue, after January 1, 1902, not to exceed \$5,000,000 additional of these bonds, at the rate of not exceeding \$1,000,000 a year, for the enlargement, betterment or extension of the properties covered by the Prior Lien Mortgage, or for the acquisition of additions thereto.

In case delay should occur in acquiring any of the said lines of railway, the execution of the plan will not for that reason necessarily be postponed, but the existing bonds upon such line deposited under the plan may be pledged under the Prior Lien Mortgage, as security for the bonds issued thereunder, until such line of railway shall be acquired by the New Company and subjected to the lien of said mortgage.

The Prior Lien Bonds are to be applied as follows:

In partial exchange for existing bonds (see page 8).....	\$60,073,090
Purchased by Syndicate to provide cash requirements of plan (see page 8).....	9,000,000
	<hr/>
	\$69,073,090
For contingencies (any surplus to New Company).....	926,910
	<hr/>
	\$70,000,000

#### SECOND.

\$63,000,000 FIRST MORTGAGE FIFTY-YEAR FOUR PER CENT. GOLD BONDS.

These bonds will bear interest from July 1, 1898, and are to be secured by a mortgage which will be a first lien on the Philadelphia, Chicago, and Akron divisions and branches, and the Fairmount, Morgan-

town and Pittsburgh Railroad, covering about 570 miles of first track, and about 332 miles of second, third and fourth tracks and sidings (see Appendix, Table D), and also on the properties now included in the present Baltimore and Ohio Terminal Mortgage of 1894, when said lines and properties are acquired by the New Company; also on the Baltimore Belt Railroad, if and when the same shall be acquired by the New Company; and a lien subject to the Prior Lien Mortgage upon the lines, property and equipment covered by the latter.

The right will be reserved to increase the amount of these bonds to \$90,000,000 for the enlargement, betterment or extension of the railroads and properties covered by the Prior Lien Mortgage and also those covered by the First Mortgage, or for the acquisition of extensions or additions thereto or equipment for use thereon, at the rate of not exceeding \$1,500,000 a year for the first four years after the organization of the New Company and at the rate of not exceeding \$1,000,000 a year thereafter. The right will also be reserved to call in and redeem all or any part of the First Mortgage Bonds after twenty-five years, at 105, and also to issue not to exceed \$75,000,000 additional of said bonds or such lesser amount as may be required to retire the Prior Lien bonds when due.

In case delay should occur in acquiring any of the said lines or railway or properties to be included under the First Mortgage as above stated, the execution of the plan will not for that reason necessarily be postponed, but the existing bonds upon such line or property deposited under the plan may be pledged under the First Mortgage, as security for the bonds issued thereunder, until such line or property shall be acquired by the New Company, and subjected to the lien of said First Mortgage.

The First Mortgage Bonds are to be applied as follows :

In partial exchange for existing bonds (see page 8).....	\$36,384,535
Purchased by Syndicate to provide cash requirements of plan (see page 8).....	12,450,000
For contingencies (any surplus to New Company).....	1,165,465
	<hr/>
	\$50,000,000
Reserve for New Company.....	7,000,000
	<hr/>
	\$57,000,000
Reserve to be issued only to retire Baltimore Belt Line 5s (see page 8).....	6,000,000
	<hr/>
	\$63,000,000

### THIRD.

#### \$40,000,000 FOUR PER CENT. NON-CUMULATIVE PREFERRED STOCK.

This stock will be entitled to receive non-cumulative dividends at the rate of 4 per cent. per annum before the payment of any dividend on the Common Stock. This stock will be applied as follows :

For Reorganization purposes (see page 9).....	\$17,218,700
Purchased by Syndicate to provide cash requirements of plan (see page 9).....	16,450,000
For adjustment with various outstanding bondholders' and stockholding interests, contingencies, &c., &c. (any surplus to New Company).....	1,331,300
	<hr/>
	\$35,000,000
Reserve for New Company.....	5,000,000
	<hr/>
	\$40,000,000

### FOURTH.

#### \$35,000,000 COMMON STOCK.

This stock will be applied as follows :

For Reorganization purposes (see page 9).....	\$31,178,000
For adjustment outstanding securities, contingencies, &c. (any surplus to New Company).....	3,822,000
	<hr/>
	\$35,000,000

## RESTRICTIONS AS TO ADDITIONAL MORTGAGE DEBT AND PREFERRED STOCK.

Provision is to be made that no additional mortgage shall be put upon the property to be acquired by the New Company hereunder, and that no increase in the amount of the preferred stock authorized under this Plan shall be made, except in each instance after obtaining the consent of the holders of a majority of the whole amount of preferred stock outstanding given at a meeting of the stockholders called for that purpose, and the consent of the holders of a majority of such part of the common stock as shall be represented at such meeting, the holders of each class of stock voting separately. During the existence of the Voting Trust similar consent of holders of like amounts of the respective classes of certificates of beneficial interest shall also be necessary for the purposes indicated.

## VOTING TRUST.

The preferred and common stock of the New Company (except such number of shares as may be disposed of to qualify directors) shall be vested in the following five Voting Trustees: William Salomon, Abraham Wolff, J. Kennedy Tod, Louis Fitzgerald and Charles H. Coster.

In the event of the death or failure or refusal to serve of any person designated as a Voting Trustee, prior to the creation of the Voting Trust, the vacancy shall be filled by the Reorganization Managers. The stock shall be held by the Voting Trustees, and their successors, jointly (under a Trust Agreement prescribing their powers and duties and the method of filling vacancies), for five years, although the Voting Trustees may, in their discretion, as provided in the Trust Agreement, deliver the stock at an earlier date. Until delivery of stock is made by the Voting Trustees, they shall issue certificates of beneficial interest entitling the registered holders to receive, at the time therein provided, stock certificates for the number of shares therein stated, and in the meanwhile to receive payments equal to the dividends collected by the Voting Trustees upon the number of shares therein stated, which shares, however, with the voting power thereon, shall be vested in the Voting Trustees until the stock shall become deliverable, as provided in the Trust Agreement and in the certificates of the Voting Trustees issued thereunder.

## SYNDICATE.

A Syndicate has been formed by Messrs. Speyer Brothers, of London, and Messrs. Speyer & Co., Kuhn, Loeb & Co., August Belmont & Co., Hallgarten & Co., and Vermilye & Co., of New York, which will be conducted by the first named three firms as Syndicate Managers, and which agrees

- (1) To purchase \$6,975,000 of the new preferred stock and \$30,250,000 of the new common stock, and to offer the same for sale to depositing holders of old first and second preferred and common stock of the Baltimore and Ohio Railroad Company as stated on page 3 of this Plan.
- (2) To purchase
 

\$ 9,000,000	3½ Per Cent. Prior Lien Bonds.
12,450,000	First Mortgage 4 Per Cent. Bonds.
16,450,000	Preferred Stock.
- (3) To protect the New Company in the ownership and possession of the properties covered by \$49,974,098 (sterling issues being figured at \$4.8666) of the existing mortgage bonds of the old Company of different issues, by agreeing to purchase from the New Company the new securities not taken, but to which the holders of such bonds would have been entitled if deposited under the plan, at a price equal to the principal of the respective old securities, and also to make advances and perform other obligations essential for the purposes of the Plan.

## APPLICATION OF SECURITIES.

It is contemplated that as a consideration for the property and securities to be conveyed and delivered to the New Company, or which it shall acquire pursuant to the Plan, it shall deliver the new bonds and stock, excepting such final amounts of the new bonds as shall be reserved for the future use of the New Company. The requisite deliveries of the new securities to depositors and subscribers under the Plan will thus be provided for.



The following details show the disposition to be made under the Plan of the securities of the New Company :

### DISPOSITION OF NEW SECURITIES IN DETAIL.

The new PRIOR LIEN  $3\frac{1}{2}$  PER CENT. GOLD BONDS will be disposed of as follows :

Present authorized issue.....\$70,000,000

To be used in partial exchange for existing bonds as follows :

EXISTING BONDS.	Amount Outstanding.	Each \$1,000 or £200 Receives	Amount of New Prior Lien Bonds.
Balt. & Ohio Loan of 1853, Extended .....	\$1,661,000	\$1,025	\$ 1,702,525
" Consolidated Mortgage 5 Per Cent.....	11,988,000	1,050	12,587,400
" Sterling Loan of 1872.....	£1,921,800	1,020	9,801,180
" Sterling Loan of 1874.....	£1,990,600	1,120	11,147,360
" Parkersburg Branch.....	\$3,000,000	1,050	3,150,000
Pittsbg & Connells. 1st Extended, 4 Per Cent.....	2,581,000	1,025	2,645,525
" 1st 7 Per Cent, not Extended .....	1,419,000	1,000	1,419,000
Balt. & Ohio 5 Per Cent. Loan of 1885.....	10,000,000	1,000	10,000,000
Pittsbg & Connells. 6 Per Cent. Consolidated Mortgage.....	£1,352,000	1,025	6,929,000
Chicago Division 5 Per Cent.....	£1,382,200	100	691,100
			\$60,073,090
Sold to Syndicate for cash requirements.....			9,000,000
For contingencies (any surplus to New Company).....			926,910
			\$70,000,000

The new FIRST MORTGAGE 4 PER CENT. BONDS will be disposed of as follows :

Present authorized issue.....\$63,000,000

To be used in partial exchange for existing bonds, as follows :

EXISTING BONDS.	Amount Outstanding.	Each \$1,000 or £200 Receives	Amount of New First Mortgage Bonds.
Balt. & Ohio Loan of 1853, Extended....	\$1,661,000	\$125	\$ 207,625
" Consolidated Mortgage 5 Per Cent.....	11,988,000	125	1,498,500
" Sterling Loan of 1872.....	£1,921,800	120	1,153,080
" Sterling Loan of 1874.....	£1,990,600	120	1,194,360
" Parkersburg Branch .....	\$3,000,000	125	375,000
Pittsbg & Connells. 1st Extended 4 Per Cent.....	2,581,000	125	322,625
" 1st 7 Per Cent., not Extended .....	1,419,000	13	177,375
Balt. & Ohio 5 Per Cent. Loan of 1885.....	10,000,000	125	1,250,000
Pittsbg & Connells. 6 Per Cent. Consolidated Mortgage.....	£1,352,000	120	811,200
Philadelphia Division $4\frac{1}{2}$ Per Cent.....	£2,400,000	1,000	12,000,000
Chicago Division 5 Per Cent.....	£1,382,200	1,070	7,394,770
Akron & Chicago Junction 5 Per Cent.....	\$1,500,000	1,000	1,500,000
Baltimore & Ohio Terminal $4\frac{1}{2}$ Per Cent.....	8,500,000	1,000	8,500,000
			\$36,384,535
Sold to Syndicate for cash requirements.....			12,450,000
For contingencies (any surplus to New Company).....			1,165,465
			\$50,000,000
Total .....			7,000,000
Reserve for New Company.....			\$57,000,000
* Reserve to be issued only to retire Baltimore Belt Line 5s.....			6,000,000
			\$63,000,000

\* The properties covered by the Baltimore Belt Line mortgage will be leased at a rental equivalent to interest at 4 per cent. on the existing Belt Line 5 per cent. bonds, which is to be in full payment of said interest. The rental agreement will provide that in consideration of the rental the New Company shall have an option to purchase all the said Belt Line 5 per cent. bonds at par and accrued interest at any time within five years on sixty (60) days' notice, and that, in case the Company shall not purchase such bonds within the five years specified, it will at the termination of that period assume the ultimate payment, when due, of the principal of such bonds



The NEW PREFERRED STOCK is to be disposed of as follows :

Total issue..... \$40,000,000

To be used in partial exchange for existing bonds and to purchase existing stocks as follows :

EXISTING SECURITIES.	Amount Outstanding.	Each \$1,000 or £200 Receives.	Amount of New Preferred Stock.
Balt. & Ohio Loan of 1853, Extended.....	\$1,661,000	\$140	\$ 232,540
" Cons. 5 Per Cent. Mtge. Bonds.....	11,988,000	85	1,018,980
" Sterling Loan of 1872.....	£1,921,800	40	384,360
" Sterling Loan of 1874.....	£1,990,600	160	1,592,480
" 5 Per Cent. Loan of 1885.....	\$10,000,000	100	1,000,000
Pittsbg. & Connells. 1st Extended 4 Per Cent. Bonds.....	\$2,581,000	40	103,240
" 6 Per Cent. Consolidated Mortgage Bonds	£1,352,000	200	1,352,000
Chicago Division 5 Per Cent. Bonds.....	£1,382,200	100	691,100
Philadelphia Division 4½ Per Cent. Bonds.....	£2,400,000	265	3,180,000
Akron & Chicago Junction 5 Per Cent. Bonds.....	\$1,500,000	250	375,000
" Junction Preferred Stock.....	\$600,000	250	150,000
Washington City & Point Lookout 6 Per Cent. Bonds.....	328,000	500	164,000
Purchased by Syndicate and offered for sale to Depositing Holders of \$25,000,000 of old Common Stock, being 20% of the par value thereof..... \$5,000,000			\$10,243,700
Purchased by Syndicate and offered for sale to Depositing Holders of \$3,000,000 of old 1st Preferred Stock, being 52½% of the par value thereof 1,575,000			
Purchased by Syndicate and offered for sale to Depositing Holders of \$2,000,000 of old 2d Preferred Stock, being 20% of the par value thereof 400,000			
			6,975,000
Sold to Syndicate for cash requirements.....			\$17,218,700
			16,450,000
For adjustment existing securities, contingencies, &c., (any surplus to New Company).....			\$33,668,700
			1,331,300
Reserve for New Company.....			\$35,000,000
			5,000,000

\$40,000,000

The NEW COMMON STOCK is to be disposed of as follows :

Total issue..... \$35,000,000

To be used in exchange for existing bonds and to purchase existing stocks as follows :

EXISTING SECURITIES.	Amount Outstanding.	Each \$1,000 Receives.	Amount of New Common Stock.
Akron & Chicago Junction Preferred Stock.....	\$600,000	\$1,000	\$600,000
Washington City & Point Lookout 6 Per Cent. Bonds.....	328,000	1,000	328,000
Purchased by Syndicate and offered for sale to Depositing Holders of \$25,000,000 of old Common Stock, being 100% of the par value thereof..... \$25,000,000			\$928,000
Purchased by Syndicate and offered for sale to Depositing Holders of \$3,000,000 of old 1st Preferred Stock, being 75% of the par value thereof. 2,250,000			
Purchased by Syndicate and offered for sale to Depositing Holders of \$2,000,000 of old 2d Preferred Stock, being 150% of the par value thereof..... 3,000,000			
			30,250,000
For adjustment outstanding securities, contingencies, &c. (any surplus to New Company).....			\$31,178,000
			3,822,000

\$35,000,000

Non-interest-bearing scrip, exchangeable in round amounts for the new securities, will be issued for fractional amounts of new bonds and stocks.

### LEASED ROADS.

Holders of bonds or stocks of the following companies are requested to communicate with the Advisory Committee, giving the amount of their holdings and stating how the same are held :

Columbus & Cincinnati Midland Railroad.  
 Central Ohio Railroad.  
 Newark, Somerset & Straitsville Railroad.  
 Sandusky, Mansfield & Newark Railroad.  
 Schuylkill River, East Side Railroad.  
 Winchester & Potomac Railroad.  
 Winchester & Strasburg Railroad.

In order to deal with the holders of these leased line securities, it is deemed necessary to consider each case separately and upon its merits. After hearing from the holders of a large proportion of each class of securities of said leased lines, the matter of adjustment will be considered.

### EXISTING GUARANTIES.

If the Managers shall deem it advisable to proceed without foreclosure and sale, they will endeavor to secure some satisfactory arrangement in connection with the existing guaranties of the Company.

### PRESENT FIRST PREFERRED STOCK.

Upon completion of the reorganization, the Managers, on behalf of the Syndicate, will deliver to each depositor of first preferred stock, who shall have paid, for account of the Syndicate, \$2 per share deposited, as provided on page 3 of this Plan, the following new securities :

For each share of first preferred stock deposited,  
 \$52.50 in new preferred stock trust certificates,  
 75.00 in new common stock trust certificates,

### PRESENT SECOND PREFERRED STOCK.

Upon completion of the reorganization, the Managers, on behalf of the Syndicate, will deliver to each depositor of second preferred stock, who shall have paid, for account of the Syndicate, \$20 per share deposited, as provided on page 3 of this Plan, the following new securities :

For each share of second preferred stock deposited,  
 \$20 in new preferred stock trust certificates,  
 150 in new common stock trust certificates,

### PRESENT COMMON STOCK.

Upon completion of the reorganization, the Managers, on behalf of the Syndicate, will deliver to each depositor of common stock, who shall have paid, for account of the Syndicate, \$20 per share deposited, as provided on page 3 of this Plan, the following new securities :

For each share of common stock deposited,  
 \$20 in new preferred stock trust certificates,  
 100 in new common stock trust certificates,

## ESTIMATED CASH REQUIREMENTS AS OF JULY 1, 1898, AND PROVISION THEREFOR.

Unpaid interest, as per Table F.....	\$4,565,375
To provide for existing car trusts, receivers' certificates, and other outstanding obligations,	19,192,225
For floating debt, improvements, equipment, working capital and other purposes of the new company, including, also, expenses of the reorganization, commission to syndicate and compensation of the reorganization managers and their associates in the formation of the syndicate .....	12,334,900
	<u>\$36,092,500</u>
To meet these requirements, the syndicate will contribute.....	\$32,592,500
The sale of certain securities in Treasury is estimated to yield.....	3,500,000
Making a total of .....	<u>\$36,092,500</u>

## POSITION OF THE NEW COMPANY.

The fixed charges for year ending June 30th, 1897, as reported by the Receivers, were.....	\$7,771,111
<b>The annual fixed charges after reorganization and retirement of existing bonds as proposed, it is estimated, will be as stated in Table "B" .....</b>	<b><u>6,252,351</u></b>
Decrease of annual fixed charges .....	<u>\$1,518,760</u>
The net earnings for year ending June 30, 1896, were, including miscellaneous income.....	\$7,330,359
The net earnings for year ending June 30, 1897, were, including miscellaneous income.....	\$6,593,990

(For the fiscal year ending June 30, 1897, equipment of the Company valued on its books at \$1,155,829.95 was put out of service and charged, not to operating expenses, but to "Profit and Loss," because it represented the depreciation of a number of years. As against this, however, extraordinary expenses—estimated at not less than \$750,000—for the maintenance of the property generally, were incurred during the year, and charged to operation. For the year 1898, as stated in the annual report of last year, all equipment when put out of service is replaced with equipment of equal value, as shown on the books of the Company, and the cost thereof charged to "Maintenance of Equipment.")

The net earnings from the operations of the property for the present fiscal year (April, May and June approximated) have (notwithstanding liberal charges for maintenance) as compared with the same period of the preceding fiscal year, increased.....	\$1,443,909
Miscellaneous income decreased.....	62,114

Net increase.....	<u>1,381,795</u>
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<b>Estimated net earnings for the fiscal year ending June 30, 1898, including miscellaneous income.....</b>	<b><u>\$7,975,785</u></b>
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(Taxes not deducted, they being included in fixed charges. See Table B.)

from which, however, will have to be deducted the sum of about \$251,000, representing the decrease in the amount of miscellaneous income which will be occasioned by the proposed sale of securities and the cancellation of sinking fund investments under the Reorganization.

The Company, as shown by Mr. Stephen Little's expert examination and report, dated July 11, 1896, from September 30, 1888, to November 30, 1895, a period of seven years and two months, earned net, including miscellaneous income, a yearly average of \$7,234,000, without deduction, however, of average taxes amounting to \$437,000.

The fixed charges of the New Company, on completion of the Reorganization, will be well within the past net income of the property—even that of the last fiscal year of extreme depression.

The New Company will be relieved from floating debt and the embarrassment of car and wheelage trust payments, and will start, not only with a substantial working cash capital, but also with power to provide facilities for the increase of business.

The By-Laws of the New Company will provide that its accounts shall be audited annually by accountants of established reputation.



## APPENDIX

TABLE "A"

Showing the amount of cash and new securities which deposited securities will be entitled to receive on completion of reorganization.

EXISTING BONDS AND STOCK TO BE DEPOSITED.	EACH \$1,000 OR £200 RECEIVES					ACTUAL PERCENTAGE FOR STERLING ISSUES. FIGURED AT \$4.8666.		
	*Cash.	New Prior Lien 3½% Bonds.	New First Mtg. 4% Bonds.	New Pfd. Stock Trust Certifi- cates.	New Common Stock Trust Certifi- cates.	New Prior Lien 3½% Bonds.	New First Mtg. 4% Bonds.	New Pfd. Stock Trust Certifi- cates.
Baltimore & Ohio Loan of 1853, Extended.....	\$10.00	\$1,025	\$125	\$140		%	%	%
" " Consolidated Mortgage, 5 per cent.	20.83	1,050	125	85				
" " Sterling Loan of 1872.....	19.47	1,020	120	40	.....	104.79	12.33	4.11
" " Sterling Loan of 1874 .....	9.73	1,120	120	160	.....	115.07	12.33	16.44
" " Parkersburg Branch Bonds.....	15.00	1,050	125					
Pittsburg & Connellsville, 1st Extended 4s.....	20.00	1,025	125	40				
Pittsburg & Connellsville, 1st 7s, not Extended.....	35.00	1,000	125					
Baltimore & Ohio 5s, Loan of 1885.....	20.83	1,000	125	100				
Pittsburg & Connellsville Consolidated Mortgage 6 per cent. Bonds.....	29.20	1,025	120	200	.....	105.31	12.33	20.55
Chicago Division, 5 per cent.....	4.06	100	1,070	100	.....	10.27	109.93	10.27
Philadelphia Division 4½ per cent.....	10.95	.....	1,000	265	.....	.....	102.74	27.22
Baltimore & Ohio 4½ per cent. Terminal Bonds of 1894	3.75	.....	1,000					
Akron & Chicago Junction Bonds.....	8.33	.....	1,000	250				
Akron & Chicago Junction, Preferred Stock.....	.....	.....	.....	250	\$1,000			
Washington City and Point Lookout Bonds.....	.....	.....	.....	500	1,000			
Old 1st Preferred Stock, may purchase from Syndicate	.....	.....	.....	525	750			
Old 2d Preferred Stock, " " " "	.....	.....	.....	200	1,500			
Old Common Stock, " " " "	.....	.....	.....	200	1,000			

\* Interest at the rate provided in the old bonds, from the date of the last matured coupon next preceding July 1, 1898, up to the date when the new bonds begin to bear interest, namely, July 1, 1898 (exclusive of previously matured coupons otherwise provided for, see page 4).

TABLE "B."

## FIXED CHARGES ON COMPLETION OF REORGANIZATION AND RETIREMENT OF EXISTING BONDS.

\$70,000,000 Prior Lien 3½ Per Cents.....	\$2,450,000
\$50,000,000 First Mortgage 4 Per Cents.....	2,000,000
Estimated Rentals and Charges (including Belt Line as stated in foot note, page 8), say.....	1,000,000
*Taxes.....	525,351
Terminals.....	202,000
Ground rents and mortgage interest.....	75,000
Total .....	\$6,252,351

\* In case foreclosure shall be found necessary, the exemption from taxation under the charter of the old Company may be lost and the amount of annual taxes be increased.



TABLE "C."

MILEAGE OF ROADS TO BE INCLUDED IN THE PRIOR LIEN MORTGAGE.

	1st Tracks.	2d, 3d and 4th Tracks.	Sidings.	Total.
Main Line...	379.80	329.78	261.87	971.45
BRANCHES :				
Locust Point Branch.....	5.60	5.60	14.81	26.01
Curtis Bay Branch.....	5.30	.....	.45	5.75
Sea Wall Branch.....	1.50	.....	1.61	3.11
Camden Cut-off.....	1.50	1.50	.....	3.00
* Washington Branch.....	31.00	31.00	12.49	74.49
Alexandria Branch .....	12.50	.....	1.86	14.36
Metropolitan Branch.....	42.80	21.41	13.36	77.57
Frederick Branch.....	3.50	.....	2.64	6.14
Parkersburg Bridge.....	1.40	.....	.....	1.40
Benwood Bridge.....	1.10	.....	.....	1.10
South Baltimore Branch .....	2.00	.....	.43	2.43
Patuxent Branch.....	1.30	.....	.18	1.48
South Branch.....	16.00	.....	.86	16.86
Parkersburg Branch.....	103.30	1.55	38.98	143.83
Washington County R. R.....	24.20	.....	5.14	29.34
Berkeley Springs & Potomac.....	5.95	.....	.87	6.82
Metropolitan Southern.....	2.25	.....	.....	2.25
Grafton & Belington Division.....	42.00	.....	2.40	44.40
PITTSBURG DIVISION :				
Pittsburg & Connellsville.....	150.20	59.70	89.86	299.76
Hickman Run Branch .....	2.10	.....	.04	2.14
Salisbury .....	8.60	.....	6.13	14.73
Grassy Run Extension.....	2.00	.....	2.46	4.46
Hocking Extension .....	1.10	.....	.27	1.37
Berlin Branch.....	8.00	.....	.95	8.95
Somerset & Cambria.....	45.10	.....	9.23	54.33
Ohio & Baltimore Short Line, Eastern Div.....	9.30	.....	3.31	12.61
Fayette County Branch.....	11.80	.....	6.37	18.17
Mt. Pleasant Branch.....	9.70	.....	3.61	13.31
Red Stone Branch.....	1.00	.....	.....	1.00
Wheeling, Pitts. & Balt.....	65.80	.....	31.42	97.22
Confluence & Oakland.....	19.70	.....	1.85	21.55
	1017.40	450.54	513.45	1981.39

\*This line cannot be directly mortgaged, but will be controlled by deposit with the Trustee under the new prior lien mortgage of two-thirds of its capital stock. The line is not subject to any existing mortgage.

TABLE "D."

MILEAGE OF ROADS TO BE INCLUDED IN THE FIRST MORTGAGE, AND OTHER PROPERTIES COVERED THEREBY.

	1st Track.	2d, 3d & 4th Tracks.	Sidings.	Total.
PHILADELPHIA DIVISION :				
Philadelphia Branch.....	52.60	51.10	16.78	120.48
Sparrow Point Branch.....	1.60			1.60
Highlandtown Branch.....	.90			.90
Balt. & Phila. R. R.....	36.80	36.80	23.98	97.58
Landenberg Branch.....	14.30		2.97	17.27
Crum Creek Branch.....	2.40			2.40
Market St. Branch.....	3.02			3.02
South Wilmington Branch.....	2.80			2.80
Lancaster, Cecil & Southern.....	4.00		.20	4.20
*Chicago Division.....	282.37	40.60	113.47	436.44
Akron Division.....	76.66	15.63	12.37	104.66
Wooster Branch.....	36.26		3.24	39.50
Fairmont, Morgantown & Pitts.....	56.60		15.08	71.68
	570.31	144.13	188.09	902.53

The First Mortgage will also be a first lien on the properties now covered by the Baltimore and Ohio Terminal Mortgage of 1894 when acquired.

\* Of the mileage given for the Chicago Division 34.94 miles are not owned, but are held under trackage rights.

TABLE "E."

EQUIPMENT TO BE INCLUDED IN PRIOR-LIEN MORTGAGE.

*Rolling Equipment :*

4 Electric Motors.  
 897 Locomotives.  
 360 Passenger Coaches.  
 77 Combination Coaches.  
 9 Dining Cars.  
 97 Baggage and Mail Cars.  
 60 Express Cars.  
 14 Refrigerator Cars.  
 9 Officers' Cars.  
 2 Pay Cars.  
 38,332 Freight-Service Cars.

*Floating Equipment :*

8 Tugs.  
 2 Steam Lighters.  
 15 Covered Lighters.  
 31 Barges.  
 2 Floats.  
 2 Pile Drivers.  
 4 Open Lighters.

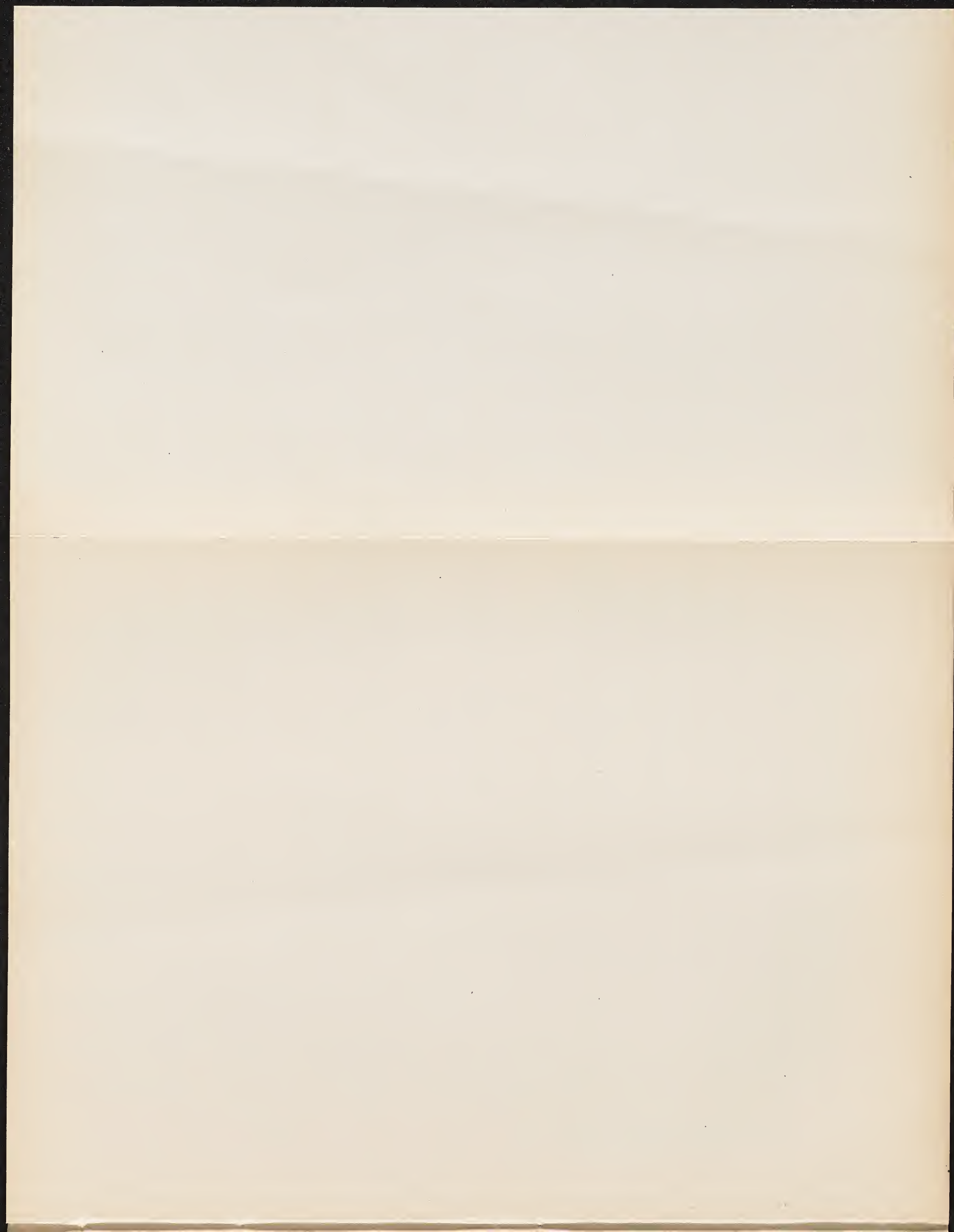
TABLE "F."

	Amount Out- standing.		(1) Past-Due Coupons.	Interest at 5% on Past-Due Coupons.	(2) Accrued Interest up to July 1, 1898.	Totals in Each Class of Bonds.
Balt. & Ohio Extd. 4s (Loan of 1853).....	\$1,661,000	3 mos.' accrued int., April 1, 1898, to July 1, 1898, on principal.....			\$16,610	\$16,610
Balt. & Ohio Cons. Mtge. 5% Bonds.....	11,988,000	5 mos.' accrued int., Feb. 1, 1898, to July 1, 1898, on principal .....			249,750	249,750
Balt. & Ohio Sterling Loan of 1872, (£1,921,800, at \$4.86 66).....	9,352,632	{ Coupon due March 1, 1898..... Interest, 4 mos., at 5%, on past-due coupon..... 4 mos.' accrued int., March 1, 1898, to July 1, 1898, on principal.....	\$280,579	\$4,676	187,053	472,308
Balt. & Ohio Sterling Loan of 1874, (£1,990,600, at \$4.86 66).....	9,687,454	{ Coupon due May 1, 1898..... Interest, 2 mos., at 5%, on past-due coupon..... 2 mos.' accrued int., May 1, 1898, to July 1, 1898, on principal.....	290,624	2,422	96,875	389,921
Balt. & Ohio Parkersburg Branch 6s.....	3,000,000	{ Coupon due April 1, 1898..... Interest, 3 mos., at 5%, on past-due coupon..... 3 mos.' accrued int., April 1, 1898, to July 1, 1898, on principal .....	90,000	1,125	45,000	136,125
Pitts. & Connells. 1st Extd. 4s .....	2,581,000	6 mos.' accrued int., Jan. 1, 1898, to July 1, 1898, on principal.....			51,620	51,620
Pitts. & Connells. 1st 7s, not Extd.....	1,419,000	6 mos.. accrued int., Jan. 1, 1898, to July 1, 1898, on principal.....			49,665	49,665
Pitts. & Connells. Consolidated Mortgage 6s (£1,352,000, at \$4.86 66).....	6,579,643	{ Coupon due July 1, 1897..... Interest, 1 year, at 5%, on past-due coupon..... Coupon due January 1, 1898..... Interest, 6 mos., at 5%, on past-due coupon..... 6 mos.' accrued int., Jan. 1, 1898, to July 1, 1898, on principal.....	197,389 9,869 197,389 4,935		197,389	606,971
Balt. & Ohio 5s, (Loan of 1885) .....	10,000,000	{ Coupon due August 1, 1897..... Interest, 11 mos., at 5%, on past-due coupon..... Coupon due February 1, 1898..... Interest, 5 mos., at 5%, on past-due coupon..... 5 mos.' accrued int., Feb. 1, 1898, to July 1, 1898, on principal.....	250,000 11,458 250,000 5,208		208,333	724,999
Chic. Div. 5s (£1,382,200, at \$4.86 66) .....	6,726,615	{ Coupon due December 1, 1897..... Interest, 7 mos., at 5%, on past-due coupon..... Coupon due June 1, 1898..... Interest, 1 mo., at 5%, on past-due coupon..... 1 mo.'s accrued int., June 1, 1898, to July 1, 1898, on principal.....	168,165 4,905 168,165 701		28,028	369,964
Balt. Belt Line 5s.....	6,000,000	{ Coupon due November 1, 1897..... Interest, 8 mos., at 5%, on past-due coupon..... Coupon due May 1, 1898..... Interest, 2 mos., at 5%, on past-due coupon..... 2 mos.' accrued int., May 1, 1898, to July 1, 1898, on principal .....	150,000 5,000 150,000 1,250		50,000	356,250
Balt. & Ohio 4½ % Terminal Bonds of 1894.....	8,500,000	{ Coupon due December 1, 1897..... Interest, 7 mos., at 5%, on past-due coupon..... Coupon due June 1, 1898..... Interest, 1 mo., at 5%, on past-due coupon..... 1 mo.'s accrued int., June 1, 1898, to July 1, 1898, on principal .....	191,250 5,578 191,250 797		31,875	420,750
Phila. Div. 4½s (£2,400,000, at \$4.86 66).....	11,679,840	{ Coupon due October 1, 1897..... Interest, 9 mos., at 5%, on past-due coupon..... Coupon due April 1, 1898 .....	262,796 9,854 262,796		131,398	670,129
Akron & Chic. Junction 5s .....	1,500,000	{ Coupon due May 1, 1898..... Interest, 2 mos., at 5%, on past-due coupon..... 2 mos.' accrued int., May 1, 1898, to July 1, 1898, on principal .....	37,500 313		12,500	50,313
TOTAL.....			\$3,137,903	\$71,376	\$1,356,096	
GRAND			TOTAL.....		\$4,565,375	

(1) Separate Certificates of Deposit issued for these coupons.

(2) Included in Certificate of Deposit for bonds.







## REORGANIZATION AGREEMENT.

**An agreement** made this twenty-second day of June, one thousand eight hundred and ninety-eight, between **Louis Fitzgerald, August Belmont, Edward R. Bacon, Henry Budge, Eugene Delano, William A. Read and Howland Davis** (hereinafter called the "**Reorganization Committee**"), parties of the first part ;

**Speyer & Company and Kuhn, Loeb & Company**, of New York, and **Speyer Brothers**, of London (hereinafter called the "**Managers**"), parties of the second part ;

**Holders of the mortgage bonds, stocks and evidences of indebtedness hereinafter mentioned, who shall become parties to this agreement** (hereinafter called "**Depositors**"), parties of the third part ; and

**The Mercantile Trust Company**, of the City of New York (hereinafter called the "**Depositary**"), party of the fourth part.

**Whereas**, the Baltimore and Ohio Railroad Company has made default in the payment of its obligations, and receivers of its railroads and property have been appointed ;

**And Whereas**, the plan referred to in this agreement has been proposed by the Reorganization Committee for the reorganization of the Railroad Company :

**Now, Therefore**, it is mutually agreed by and between the respective parties hereto as follows :

**FIRST.** A printed copy of this agreement, signed by the parties hereto of the first, second and fourth parts, shall be lodged with The Mercantile Trust Company, in the City of New York, and a duplicate, signed in like manner, shall be lodged with The London and Westminster Bank, Limited, in the City of London. Each of said copies shall be taken as a complete and original instrument, but both shall constitute but one agreement. The foregoing Plan is and shall be taken to be a part of this agreement, with the same effect as though each and every provision thereof had been embodied herein, and said Plan and this agreement shall be read as parts of one and the same paper ; but no estimate, statement, explanation or suggestion contained in the said Plan or this agreement, or in any circular issued, or which may hereafter be issued, by the Depositary or by the Reorganization Committee, or by the Managers, is intended, or is to be accepted as a representation or warranty, or as a condition of deposit or assent under the Plan and this agreement, and no defect or error shall release any deposit under this Plan and agreement, or affect or release any assent thereto, except by written consent of the Managers.

Holders of the following named bonds and coupons (or claims for interest on registered bonds) and stocks or any of them, may become parties to this Plan and agreement by depositing their securities with the Depositary upon the terms and conditions specified in the Plan and this agreement, or hereafter defined, and within the periods which shall be fixed or limited by the Managers :

Baltimore & Ohio Railroad Company Bonds, Loan of 1853, Extended to 1935, at 4 per cent.

Baltimore & Ohio Railroad Company 100-Year 5 Per Cent. Consolidated Mortgage Bonds of 1888.

Baltimore & Ohio Railroad Company Sterling 6 Per Cent. Loan of 1872, due March 1, 1902.

Baltimore & Ohio Railroad Company 6 Per Cent. Sterling Loan of 1874, due May 1, 1910.

Baltimore & Ohio Railroad Company 6 Per Cent. Loan of 1879, due April 1, 1919 (account Parkersburg Branch Railroad Company).

Baltimore & Ohio Railroad Company 5 Per Cent. Bonds, Loan of 1885 (account Pittsburg and Connellsville Railroad Company).

Baltimore & Ohio Railroad Company,  $4\frac{1}{2}$  Per Cent. Terminal Mortgage bonds of 1894.

Baltimore & Ohio Railroad Company Sterling  $4\frac{1}{2}$  Per Cent. Loan of 1883, Philadelphia Branch.

Baltimore & Ohio Railroad Company Sterling 5 Per Cent. Loan of 1877, Due June 1, 1927 (Account, Baltimore and Ohio and Chicago Railroad Company).

Baltimore & Ohio Railroad Company First Preferred Stock.

Baltimore & Ohio Railroad Company Second Preferred Stock.

Baltimore & Ohio Railroad Company Common Stock.

Pittsburg & Connellsville Railroad Company First Mortgage bonds, Extended to 1946 at 4 Per Cent.

Pittsburg & Connellsville Railroad Company First Mortgage 7 Per Cent. bonds, Due July 1, 1898.

Pittsburg & Connellsville Railroad Company 6 Per Cent. Consolidated Mortgage bonds.

Akron & Chicago Junction Railroad Company First Mortgage 5 Per Cent. bonds.

Akron & Chicago Junction Railroad Company Preferred Stock.

Washington City and Point Lookout Railroad Company 6 Per Cent. bonds.

Matured and unpaid coupons (and claims for interest on registered bonds) appertaining to any of the above bonds, except those of the Washington City and Point Lookout Railroad Company.

Also, such other mortgage bonds or stocks, if any, of any other railroad company or companies heretofore known as parts of the Baltimore and Ohio Railroad System as the Managers may hereafter decide to admit to participation in the Plan upon terms to be fixed by the Managers.

Such holders must in all cases deposit the certificates for their stock, or their bonds or coupons or claims for interest on registered bonds, or other securities, with such transfers, assignments and powers of attorney as may be required by the Managers in order to vest in them, and to enable them to transfer the complete and absolute title to such stocks, bonds, coupons, claims for interest, or other securities, and the Depositors agree respectively at any time on demand of the Managers to execute any and all other transfers, assignments or writings required for vesting the complete ownership of the bonds, coupons, claims for interest and stocks deposited hereunder in the Managers or their nominees. All Depositors shall receive Certificates of Deposit in form to be prescribed by the Managers specifying the respective bonds, coupons, claims for interest, or stock deposited, and the holders of such Certificates of Deposit issued hereunder shall be entitled, subject to any provisions contained in such certificates, only to the rights and benefits specified in the Plan and this agreement as accruing to the holders of the bonds, coupons, claims for interest, or stocks of the class represented by such certificates respectively or granted by the Managers pursuant to the powers conferred upon them, and thereafter the holder of any such certificate or of any certificate issued in lieu thereof or in exchange therefor shall be subject to the Plan and this agreement and entitled to have and exercise only the rights of the original depositor under the certificate issued to him in respect of the securities therein mentioned.

Such Certificates of Deposit issued hereunder and the interests represented thereby shall be transferable only subject to the terms and conditions of the Plan and this agreement, and in such manner as the Managers shall approve; and upon such transfer, all rights of the Depositors or in respect of the deposited bonds, coupons, claims for interest, or stock represented by such Certificates, together with all instalments paid by the Depositors of such stock, or their transferees, and all rights under the Certificates of Deposit transferred, shall pass to the transferee, and the transferees and holders of such Certificates of Deposit shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of Certificates of Deposit issued hereunder, shall be embraced under the term "Depositors," whenever used herein. Each Certificate of Deposit may be treated by the Managers and by the Depositary as a negotiable instrument, and the holder for the time being may be deemed to be the absolute owner thereof, and of all rights of the original Depositor of the bond, coupon, claim for interest, stock or other security in respect of which the same was issued, and neither the Depositary nor the Managers shall be affected by any notice to the contrary. By accepting any such Certificate, every recipient or holder thereof shall thereby become party to the Plan and this agreement with the same force and effect as though an actual subscriber hereto. The term Depositor, whenever used herein, is intended, and shall be construed, to include not only persons acting in their own right, but also trustees, guardians, committees, agents and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint-stock



companies and corporations. No rights hereunder shall accrue in respect of any securities hereinbefore mentioned unless, or until, the same shall have been subjected to the control of the Managers and to the operation of the Plan and this agreement as herein provided.

The Depositary shall receive the deposited stocks, bonds and coupons, claims for interest, or other securities, and shall hold the same respectively subject to the order and control of the Managers.

The Managers may in their discretion fix or limit the period or periods within which holders of bonds, coupons, claims for interest, or stock or other securities, or any class thereof, may deposit their securities, and within which they may become parties to the Plan and this agreement, and the periods within which must be paid the instalments of cash payable by depositing holders of First and Second Preferred and Common stock as consideration for new Preferred and Common stock, and in their discretion, either generally or in special instances, may extend or renew the period or periods so fixed or limited, on such terms and conditions as they may see fit.

Holders of securities, not deposited within the periods respectively fixed or limited therefor, will not be entitled to deposit the same or to become parties to this agreement or to share in the benefits thereof, and shall acquire no rights thereunder, except upon obtaining the express consent of the Managers, who may withhold or give such consent in their absolute discretion and upon such terms and conditions as they may see fit.

The several instalments of cash, payable by Depositing Stockholders as provided in the Plan and this agreement, must be paid to the Managers for account of the Syndicate, and must be receipted for by the Depositary on the respective Certificates of Deposit issued for such stock. The Depositing Stockholders agree that all such instalments of cash may be used at any time by the Managers, for any of the purposes of the Plan and this agreement. Depositors of Stock and holders of Certificates of Deposit for deposited stock respectively agree that prompt payment of the several instalments of cash payable by them respectively on the terms of the Plan and this agreement is an essential condition to their acquisition of new stock by purchase from the Syndicate under the Plan and this agreement, and that any Depositor or any holder of a Certificate of Deposit for stock who shall fail to make prompt payment of any instalment of cash payable as provided in the Plan within the periods fixed or limited by the Managers for such payment shall forthwith, and without further or other notice or action, cease to have any rights, or to be entitled to any benefits hereunder, and in every such case the Deposited Stock and any cash paid as above provided prior to the date of such default shall vest in and belong to the Syndicate, and that no such defaulting Depositor or Certificate holder shall be entitled to the return or repayment thereof, or to have any further interest or rights in respect thereof. The Managers, however, in their discretion, may on behalf of the Syndicate waive any such default and accept payment of overdue instalments due from any Depositor at any time before final settlement of accounts with the Syndicate.

SECOND. The Depositors hereby irrevocably request the Managers to endeavor to carry into practical operation the Plan and this agreement in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Managers shall deem to be for the best interests of the Depositors or of the properties finally embraced in the reorganization. Each and every Depositor, for himself and not for any other, does hereby sell, assign, transfer and set over to the Managers as copartners, and to the survivor and survivors of them and to their successors, each and every bond, coupon, claim for interest on registered bonds, share of stock, security or obligation or evidence thereof deposited hereunder, and every Depositor hereby agrees that the Managers shall be and they are hereby vested with all the rights and powers of owners of the stocks, bonds, coupons, claims for interest, securities and obligations deposited hereunder, including the right to transfer the same into their own names, as copartnerships and as Managers, or into the name of any other person or persons whom they may select; and (without limiting the foregoing provision) it is hereby declared that the Managers shall be fully authorized to vote thereon at any meeting of stockholders or bond or certificate holders

or creditors; to use every such stock, bond, coupon, claim for interest, receipt, security or obligation as fully and to the same extent as the owner or holder thereof; to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy, to vote at any and all meetings of stockholders, bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust, contract or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any Trustees or the substitution of other Trustees, or to take any other steps in respect of any trust, contract or lease or under any provision thereof; to purchase at any time or times, at such prices as they shall deem proper, or to pay, compromise or settle with the holders of any coupons, notes or other indebtedness or car trust or other obligations of any of the railroad companies, or any Receiver's Certificates or obligations issued or which may be issued or incurred by the Receivers thereof, and to apply for that purpose any moneys received from the sale of Trust Certificates for stock in the New Company, or which may otherwise be received or raised by them; to borrow money for any of the purposes of this agreement, and to charge or pledge any deposited securities, property purchased, or new securities to be issued, for the payment of any moneys borrowed; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder, or any part thereof; to institute or to become parties to any legal proceeding; to apply for Receivers, or for the removal of Receivers and the substitution of other Receivers, or for the termination of any receivership and the delivery of any property to its owners; to settle any litigation now or at any time existing or threatened in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the consummation of the Plan; to do whatever, in the judgment of the Managers, may be necessary to promote or to procure the sale as an entirety or the joint or separate sales of any lands, property or franchises herein concerned, wherever situated; to adjourn any sale of any property or franchises, or any portion or lot thereof, at discretion; to bid, or to refrain from bidding, at any sale, either public or private, either in separate lots or as a whole, for any property or franchises, or any part thereof, whether or not owned, controlled or covered by any deposited security, including or excluding any particular rolling stock or other property, real or personal; and at, before or after any sale to arrange and agree for the resale of any portion of the property which they may decide to sell rather than to retain; to hold any property or franchises purchased by them either in their name or in the name of persons or corporations by them chosen for the purposes of this agreement, and to apply any security embraced hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; and the term property and franchise shall include any and all railroads, railroad and other transportation lines, branches, leaseholds, lands, rights in lands, mining rights, stocks or other interests in corporations in which the Railroad Company has any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Managers for any property or franchises shall be absolutely discretionary with them; and, in case of the sale to others of any property or franchises, the Managers may receive, out of the proceeds of such sale, or otherwise, any dividend in any form accruing on any securities held by them.

THIRD. The Managers may procure the organization of one or more new companies, or they may adopt or use any existing or future companies, and they may cause to be made such consolidations, leases, sales, or other arrangements and may make or cause to be made such conveyances or transfers of any properties or securities acquired by them, and may take such other proceedings as they may deem proper for the purpose of creating the new securities provided for in this Plan and agreement and for carrying out all or any of the provisions thereof. The Managers shall further be authorized to receive and dispose of, in accordance with any of the provisions of this Plan and agreement, the new securities to be created, and the Managers may vote upon all the stock of such new corporation for all purposes in their judgment necessary to carry out the plan until the same shall be delivered to the Voting Trustees or to the Depositors who shall be entitled to receive the same.



FOURTH. The Managers may construe the Plan and this agreement; and their construction thereof or action thereunder, in good faith, shall be final and conclusive. They may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and they shall be the sole judges of such necessity. They shall be the sole and final judges as to when and whether the assent of enough parties interested in the Railroad Company shall have been obtained to warrant them in declaring the same or any part thereof operative, or in carrying the same or any part thereof into effect, and as to when and whether a sufficient number of the existing bonds upon the lines of railway to be included in the Prior Lien or First Mortgages respectively, have been deposited, to warrant the execution by the New Company of such Prior Lien or First Mortgage respectively, and the issue of bonds thereunder, pending the acquisition of such lines of railway by the New Company, and they shall have power whenever they shall deem proper, at any time before the new securities shall have been issued and delivered to the Depositors, to abandon or to alter, modify or depart from, the Plan of Reorganization, or any part thereof, except the provisions for the Voting Trust. They may at any time or times, after any such partial abandonment, restore to the Plan any abandoned part or parts thereof, and may seek to carry the same into effect, as fully as if such part or parts had not been abandoned. They may also attempt to carry the Plan into effect rather than abandon or modify the same, even though it be manifest that, as carried out, the Plan must depart from the original Plan or from some part thereof. But in case of any intentional change or modification or departure from the Plan, which in their judgment, shall materially affect any of the several classes of Depositors, or their mutual relations, a statement of such proposed change, modification or departure shall be filed with the Depositary in New York and also with its agent, the London and Westminster Bank, Limited, in London, and notice of the fact of such filing shall be given as hereafter provided, in Article Twelfth; and within two weeks after final publication all holders of the outstanding Certificates for such particular class or classes of securities affected thereby may surrender their respective Certificates therefor and withdraw securities of such particular class or classes, or the proceeds thereof, or substitutes therefor then under the control of the Managers, to the amount indicated in such Certificates, provided, however, that in every case of withdrawal and cancellation the Certificate Holders shall, respectively, make payment of their shares of the expenses of the Managers, as apportioned by the Managers. Every Depositor of securities not so surrendering and withdrawing within such two weeks after final publication shall be deemed to have assented to the proposed changes or modifications, and whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modifications finally made by the Managers shall be part of the Plan and this agreement; and all provisions and references concerning the Plan shall apply to the Plan so changed or modified. In every such case of withdrawal any cash advanced to depositors, and any interest paid or advanced to holders of Certificates of Deposit in respect of deposited bonds, represented by such Certificates of Deposit, or in respect of the new bonds to be issued in exchange therefor under the Plan, must be repaid, if the Managers so require, by the holders of such Certificates before the deposited bonds, represented by such Certificates of Deposit shall be surrendered in exchange therefor; but any interest collected by the Managers on deposited securities will, in case of such withdrawal, be accounted for by the Managers to the holders of the Certificates of Deposit for such securities. In case the Managers shall finally abandon the entire Plan, the stocks and bonds and coupons deposited hereunder or their proceeds, or any stocks, bonds, coupons, securities or claims or representatives thereof, then under the control of the Managers, shall be delivered to the several Depositors in amounts representing their respective interests upon surrender of their respective Certificates and payment of such actual expenses as shall have been incurred by the Managers, and the Managers shall have power to determine and to apportion upon the several classes of securities deposited hereunder the share of expense to be borne by each security. In any such case, any moneys paid by the depositing stockholders, or any coupons, receiver's certificates or other obligations, claims or property acquired therewith, or the proceeds thereof when received, remaining after deducting therefrom the share of the expenses incurred

by the Managers under this agreement apportioned upon such depositing stockholders shall be equitably distributed or adjusted among the respective holders of Certificates of Deposit therefor. But the Managers shall not be held liable for loss of any such money disbursed by them for the purposes of this agreement nor for the depreciation in value of any property or securities purchased by them, and the depositing stockholders or holders of such Certificates of Deposit, shall have no claim for the repayment of any such moneys except to the extent of their ratable shares of such moneys or their proceeds at the time remaining in the hands of or subsequently collected by the Managers after payment of such expenses.

FIFTH. The Managers may proceed under the Plan and this agreement or any part thereof with or without foreclosure and in case of foreclosure may exercise any power, either before or after foreclosure sale; and in every case all the provisions of the Plan and this agreement shall equally apply to and in respect of any physical properties embraced under the reorganization and to and in respect of any securities representing any such property, it being intended that for all purposes thereunder any such property, and any security representing such property may be treated by the Managers as substantially identical. In case any separate Plan shall in the opinion of the Managers become necessary or expedient to effect the reorganization of any subordinate or other company, the Managers may promote and participate in any such reorganization and may deposit thereunder any securities thereby affected.

In case of any claim, lien or obligation not herein fully provided for and affecting the Railroad Company, or any property or franchises thereof, the Managers may from time to time (subject, however, to Article Sixth hereof) make such compromise in respect thereto or such provision therefor as they may deem suitable, using therefor any securities not expressly required for settlement with Depositors, or not expressly reserved for liens or obligations specified in the Plan, but the total amount of new securities to be created as set forth in the Plan shall not thereby be increased.

Any action contemplated in the Plan and this agreement to be performed on or after completion and reorganization may be taken by the Managers at any time when they shall deem the reorganization advanced sufficiently to justify such course, and the Managers as they may deem necessary may defer the performance of any provision of the Plan and this agreement, or may commit such performance to the New Company.

They may also in their discretion set apart and hold in trust, or place in trust with any trust company, any part of the new securities to be issued, and cash which may be received from sales of new securities, or otherwise, as they may deem judicious for the purpose of securing the application thereof for any of the purposes of the Plan and this agreement.

SIXTH. From time to time, for the purpose of carrying this agreement into effect, or of obtaining assents thereto, the Managers, either generally or in specific instances, may make contracts with any person, syndicate or corporation; and, in their discretion, either generally or in specific instances, and upon such general or special terms and conditions as they may deem proper, may arrange to procure the deposit of securities hereunder; they may also, from time to time, by loan, guaranty, or by sale of the new securities to be created, or otherwise, upon such terms, conditions and rates as said Managers may deem proper, may obtain any moneys required to carry out the Plan and this agreement, including such sums as the Managers may deem expedient to provide for the uses of the New Company; and for the performance of any contract said Managers may charge the deposited securities and the new securities to be issued and may pledge the same for the payment of any moneys borrowed and interest thereon, and other performance of any other obligations incurred under the powers herein conferred. The Managers may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by them deemed reasonable for the purpose of this agreement. They may prescribe the form of all securities, mortgages and all instruments at any time to be issued or entered into. They may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder, excepting that the Voting Trustees shall be appointed as stated in the Plan. The Managers may, at public or private sale, or otherwise, dispose of any bonds and Trust Certificates for stock of the new Company left in their hands because of any failure to make deposits hereunder.



In so disposing of any such new securities thus left in their hands, they may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as they may deem expedient and advisable. At the time of the creation of the new securities, or as soon thereafter as may be, the Managers may take such action (either by creating lesser amounts of securities, or otherwise) as they may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of the Plan.

SEVENTH. The said firms of Speyer & Co. and Kuhn, Loeb & Co., of New York, and Speyer Brothers, of London, shall be the Managers under this agreement. So far as practicable the three firms as such Managers shall act and concur in all steps and proceedings hereunder, but in the event of the three firms not concurring, the concurrent action of any two of said firms shall be the action of the Managers, and no action shall be taken except with the assent of at least two of said three firms. The said firms as Managers shall each act as a copartnership, and in case of any change in either of said firms, the respective firms of Speyer & Co., Kuhn, Loeb & Co. and Speyer Brothers, or their respective successor firms, as from time to time constituted, shall continue as Managers, with all the powers, rights and title vested in the Managers hereunder. Neither the Reorganization Committee nor the Managers nor the Depositary assume any personal responsibility for the execution of the Plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof; the Managers, however, undertaking in good faith to endeavor to execute the same. No member of the Reorganization Committee, nor any Depositary nor any of the Managers shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his, its or their own individual wilful malfeasance or neglect, and no member of the Reorganization Committee shall in any case be personally liable for the act or omission of any other member, nor for the acts of any Depositary or of the Managers; nor shall any Depositary or any of the Managers be personally liable for the acts or defaults of the Reorganization Committee or any member thereof, or of any other Depositary, or Manager, or of any Trust Company. The Managers may act through any committee or agents, and may delegate any authority, as well as discretion, to any such committee or agent, and the members of such committee or such agents may be allowed a reasonable compensation for their services hereunder. The Managers shall be entitled to compensation for their services, which shall be fixed by agreement between the Managers and the Reorganization Committee, and as so fixed, shall be finally binding and conclusive upon all parties. The Managers shall have the right to form or procure the formation of any Syndicate or Syndicates which they may deem necessary or advantageous for carrying out the purposes of the Plan, and may act as Managers of such Syndicate or Syndicates. Any member of either firm of the Managers or Depositaries, or any member of the Reorganization Committee, at any time, may be a Voting Trustee, and any of said firms or any member thereof or any Depositary or any member of the Reorganization Committee may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including participation in or under any syndicate agreement, as Syndicate Managers, or otherwise, whether or not mentioned in the Plan. Any direction given by the Managers shall be full and sufficient authority for any action of the Depositary or of any Trust Company or of any other custodian or of any committee or agent.

The Reorganization Committee shall be entitled to compensation for their services, which shall be fixed by agreement between the Managers and the Reorganization Committee, and as so fixed, shall be finally binding and conclusive upon all parties. It may discharge any and all reasonable expenses, including counsel fees, by it incurred for any of the purposes of this agreement. Its accounts shall be filed with the Managers, and when approved by the Managers, shall be finally binding and conclusive upon all parties having any interest therein. The compensation of the said Reorganization Committee shall be paid as part of the expenses of the reorganization.

EIGHTH. The Managers may negotiate and contract with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other convenience which they



may deem necessary or desirable to obtain or to grant, and may make contracts therefor binding upon such New Company, and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in their opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting the Baltimore and Ohio Railroad System, or which the Railroad Company or any subordinate company has contracted to acquire, or to prevent or avoid opposition to or interference with the successful execution hereof.

NINTH. The accounts of the Managers shall be filed with the Board of Directors of the New Company within one year after its organization shall have been completed, unless a longer time be granted by the said Board. The accounts, when approved by such Board of Directors, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Managers shall be discharged. The acceptance of new securities by any depositor shall estop such acceptor from questioning the conformity of such securities in any particular to any provisions of the Plan; and the acceptance of new securities by the holders of a majority in amount of the Certificates of Deposit for any class of securities shall in each case respectively estop all holders of Certificates of Deposit for securities of that class.

TENTH. The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Managers, in respect of all securities deposited or to be deposited, and in all other respects, any and all powers which the Managers may deem necessary or expedient in or towards carrying out or promoting the purposes of the Plan and this agreement in any respect, even though any such power be apparently of a character not now contemplated; and the Managers may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, they may deem expedient. The methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Managers.

The bonds, coupons, claims for interest on registered bonds, and other obligations deposited under the Plan and this agreement, and all Receivers' certificates, coupons and claims purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by any delivery of new securities; and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any judgment upon any of such claims, including claims and judgments for deficiencies, and all liens and equities, shall remain unimpaired, and may be enforced by the Managers or by the New Company or by any other assign of the Managers until paid or satisfied in full or expressly released. Neither the Managers nor any bondholders or creditors of the Railroad Company, by executing this agreement, or by becoming parties thereto, release, surrender, or waive any lien, right or claim in favor of any stockholders or other creditors of such Company, and all such liens, rights or claims shall vest unimpaired in the Managers and in the New Company, or its assigns, severally and respectively; and any purchase or purchases by or on behalf of the Managers, or the New Company, under any decree for the enforcement of any such lien, right or claim, shall vest the property purchased in the Managers or the New Company free from all interest or claim on the part of any such stockholders, creditors or other parties. No right is conferred, nor any trust, liability or obligation (except the agreements herein contained in favor of the holders of Certificates of Deposit hereunder) is created by the Plan and this agreement, or is assumed hereunder, or by or for any New Company in favor of any bondholder, or any other creditor, or of any holder of any claim whatsoever against the Railroad Company, nor in favor of any Company now existing or to be formed hereafter (whether such claim be based on any bonds, coupons, stocks, securities, lease, guaranty or otherwise), with respect to any securities deposited under this agreement or any moneys paid to, or received by the Managers or by the Depositary hereunder or with respect to any property acquired by purchase at any foreclosure sale, or with respect to any new certificates to be issued hereunder, or with respect to any other matter or thing.

ELEVENTH. All moneys paid under or with reference to the Plan and this agreement shall be paid over to the Managers, who shall as Bankers hold the same subject to application for any of the purposes of the Plan and this agreement as may be most convenient, and as from time to time may be determined by the Managers, whose determination as to the propriety and purpose of any such application shall be final, and nothing in the plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the Plan either as proposed or carried out, or any securities held as collateral for any such obligation, may be acquired or extinguished or held by the Managers at such time, in such manner and upon such terms as they may deem proper for the purposes of reorganization, but nothing in the Plan and this agreement contained is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

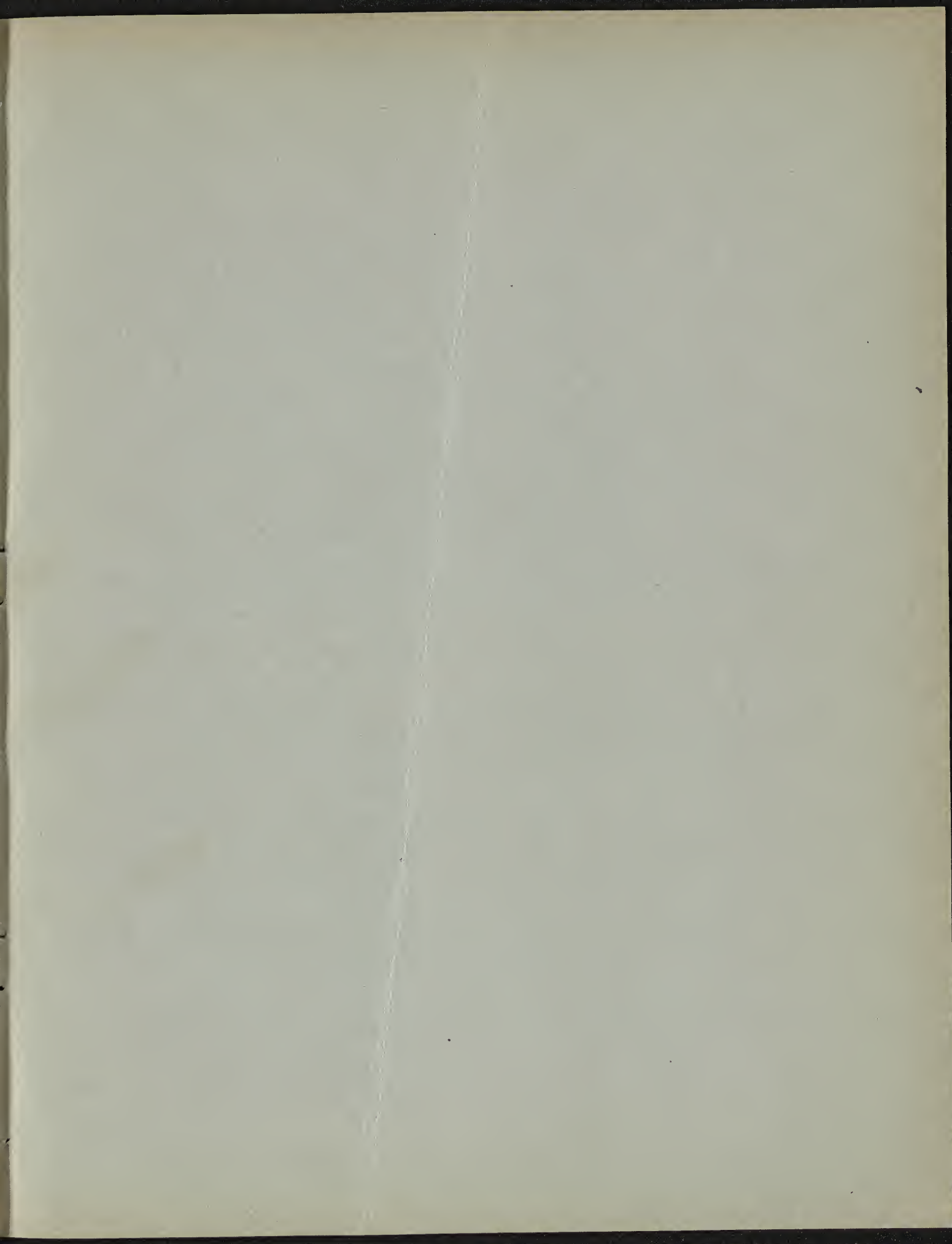
TWELFTH. All calls for the payments to be made by Depositing Stockholders or for the surrender of Certificates of Deposit issued hereunder; all notices fixing or limiting any period for the deposit of securities or for such payments and all other calls or notices hereunder, except when herein otherwise expressly provided, shall be inserted in the "New York Times" and the "New York Tribune," or in two other daily papers of general circulation published in the City of New York, the Baltimore "Sun" and the "Baltimore American," or in two other daily papers of general circulation published in the City of Baltimore, Maryland, and in two daily papers of general circulation published in the City of London, twice in each week for two successive weeks, beginning on any day of the week. Any call or notice whatsoever when so published by the Managers shall be taken and considered as though personally served on all parties hereto and upon all parties bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this Plan and agreement. When a call or notice shall have been advertised as above specified in New York or in London, publication shall be complete as regards all holders of Certificates of Deposit, issued by the Depositary in the city in which such publication shall have been made, and no further publication shall be required in such city.

THIRTEENTH. The Plan and this agreement shall bind and benefit the several parties, including the Depositors hereunder, their and each of their survivors, heirs, executors, administrators, successors and assigns.

In Witness Whereof, a majority of the Reorganization Committee, the Managers, and The Mercantile Trust Company of New York have caused these presents to be duly executed, the day and year first above written, and the parties of the third part have become parties hereto by depositing their securities and accepting certificates of deposit therefor hereunder.









REORGANIZATION  
OF THE  
BALTIMORE AND OHIO SOUTHWESTERN  
RAILWAY COMPANY.

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Plan and Agreement,

Dated December 15, 1898.

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REORGANIZATION MANAGERS.

SPEYER BROTHERS,  
7 Lothbury, London.

SPEYER & CO.,  
30 Broad Street, N. Y.

KUHN, LOEB & CO.,  
27 Pine Street, N. Y.

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*Counsel to Reorganization Managers.*

SEWARD, GUTHRIE & STEELE,  
40 Wall Street, N. Y.

EVARTS, CHOATE & BEAMAN,  
52 Wall Street, N. Y.

FRESHFIELDS & WILLIAMS,  
London.

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Depository.

THE MERCANTILE TRUST COMPANY OF NEW YORK.  
LONDON AND WESTMINSTER BANK, LIMITED, LONDON AGENT.





## *To the Security Holders of the*

### *Baltimore and Ohio Southwestern Railway Company :*

The Baltimore and Ohio Railroad, the guarantor of certain of your securities, having become insolvent and its property being in the possession of Receivers, and its reorganization having been declared operative, it became necessary for your Board, in order to properly protect the securities of your Company, to enter into negotiations with the Reorganization Managers of the Baltimore and Ohio Railroad Company to arrange the future relations of your Company with that reorganized property.

For several months the Board has been in negotiation with them, and in consultation with the security holders, for the purpose of securing an exchange of your Company's securities for the securities of the Reorganized Baltimore and Ohio Railroad Company upon a satisfactory basis, and to secure additional new capital to place the Company in a position to successfully carry on its business and place it on a sound financial basis.

Since the organization of your Company, vigorous competition, then unexpected, has developed in the territory it occupies, greatly reducing the rates for transportation received by your Company.

The effect of such reduction in rates has been most serious and shows the pressing need of a readjustment of the Company's securities and fixed charges, and the securing of additional capital to make needed improvements upon the property. Had the same rates prevailed last year as existed at the time of the organization of the Company there would have been a surplus over fixed charges of \$2,273,626, instead of a deficit of \$99,574.

When your Company was organized, it was believed ample provision had been made for necessary capital to reduce its grades, secure increased and heavier motive power, equipment and rails, and to bring the property to the highest standard of condition. Such necessary capital was to be secured through the sale of the Company's securities, guaranteed by the Baltimore and Ohio Railroad Company. Immediately upon the organization of the Company, certain of such improvements were entered upon; before they could be completed to the extent whereby substantial savings in operation could be effected to meet the prevailing low rates, the insolvency and Receivership of the Baltimore and Ohio Railroad Company prevented the sale of its securities and thereby arrested the completion of the contemplated improvements. These improvements have become imperative and cannot longer be delayed.

The amount of capital now needed to be expended in the reduction of the grades, purchase of additional equipment and for other improvements in order to bring the property to the efficiency requisite for advantageous and profitable operation, in conjunction with the reorganized Baltimore and Ohio Railroad, is estimated at about \$5,500,000, the greater proportion of which should be expended during the next calendar year and the remainder as soon as possible thereafter.

The Reorganization Managers have agreed to undertake the consummation of the plan herewith submitted, which provides for the issue by the Baltimore and Ohio Railroad Company, (as Reorganized), of its securities in exchange for yours on a just and equitable basis, and the securing of additional capital required to put your property in a position to successfully carry on its business. The syndicate mentioned in the plan will purchase at their face value, all coupons due on the first day of January next that are not paid, from such bondholders as shall deposit their securities. It is hoped that further financial embarrassment with its inevitable consequences and the depreciation in the value of your securities can be avoided by a prompt acceptance of the plan.

Your Board, therefore, urgently recommends its prompt acceptance.

Dated New York, December 15th, 1898.

EDWARD R. BACON,  
*President,*

WILLIAM L. BULL,  
EDGAR T. WELLES,  
JOHN H. DAVIS,

*New York,*

JAMES SLOAN, JR.,  
*Baltimore,*

FRANCIS PAVY,  
*London,*  
*Committee of Board.*





# PLAN FOR THE REORGANIZATION

## OF THE

### BALTIMORE AND OHIO SOUTHWESTERN RAILWAY COMPANY.

The following securities will be dealt with under the Plan, and are hereinafter referred to as "Existing Securities."

#### LIST OF SECURITIES WITH OUTSTANDING AMOUNTS.

NAME.	Amounts Outstanding.
Ohio & Mississippi Railway First Consolidated Mortgage Bonds, Extended 4 Per Cent.....	\$6,385,000
Ohio & Mississippi Railway First Consolidated Mortgage Sterling Bonds, Extended 4 Per Cent.....	83,000
Ohio & Mississippi Railway Second Consolidated Mortgage 7 Per Cent. Bonds (Currency).	2,952,000
Ohio & Mississippi Railway First Mortgage Springfield Division 7 Per Cent. Bonds (Currency).....	1,993,000
Ohio & Mississippi Railway General Mortgage 5 Per Cent. Bonds (Currency).....	313,000
B. & O. S. W. Railroad First Mortgage 4½ Per Cent. Bonds.....	10,667,000
B. & O. S. W. Railway First Consolidated Mortgage 4½ Per Cent. Gold Bonds.....	10,363,900
B. & O. S. W. Railway First Income Mortgage 5 Per Cent. Bonds, Series "A".....	8,750,000
B. & O. S. W. Railway First Income Mortgage 5 Per Cent. Bonds, Series "B".....	10,000,000
B. & O. S. W. Railway Preferred Stock.....	20,000,000
B. & O. S. W. Terminal Company 5 Per Cent. Gold Bonds.....	1,500,000
Cincinnati & Baltimore R. R. First Mortgage 7 Per Cent. Bonds.....	333,000
Marietta Railway First Mortgage 4 Per Cent. Bonds.....	175,000

#### NEW SECURITIES.

It is proposed that the Baltimore and Ohio Reorganization Managers shall recommend to the Baltimore and Ohio Railroad Company (as Reorganized) that it shall acquire the properties of the above-named Companies, or the securities above-named, representing the same, and shall issue in exchange therefor, and to provide new capital for the enlargement, betterment or extension of said properties, its bonds to be known as "Baltimore and Ohio Railroad Company (as Reorganized) Southwestern Division First Mortgage 3½ Per Cent. Gold Bonds," and also Baltimore and Ohio Railroad Company (as Reorganized) new Preferred and Common Stock (trust certificates) as hereinafter stated. The right will be reserved to reorganize or consolidate any of the lines above mentioned into a new corporation, if that shall be deemed expedient by the Reorganization Managers.

The Baltimore and Ohio Railroad Company (as Reorganized) is therefore to authorize the following new securities:

## FIRST.

\$40,000,000 BALTIMORE AND OHIO RAILROAD COMPANY (AS REORGANIZED) SOUTH-  
WESTERN DIVISION FIRST MORTGAGE THREE AND ONE-HALF  
PER CENT. GOLD BONDS, DUE 1925.

These bonds will bear interest from the first day of January, 1899. The right will be reserved to issue \$5,000,000 additional of these bonds at the rate of not exceeding \$1,000,000 per year after the Reorganization is completed for the enlargement, betterment or extension of the properties covered by the Baltimore and Ohio Railroad Company's (as Reorganized) Southwestern Division First Mortgage (either as a direct lien or by pledge of the securities representing such properties), or for additions thereto. The mortgage securing these bonds is expected to be ultimately a first lien upon the railroads and properties constituting the Baltimore and Ohio Southwestern Railroad system above named, or the above-mentioned securities representing the same, covering about 920.98 miles of first track and about 305.48 miles of second track and sidings (see Appendix, Table A), and also all of the equipment now owned by the Baltimore and Ohio Southwestern Railway Company or subsequently acquired with the proceeds of these bonds. In case it shall be found inexpedient to acquire any of said railroads or properties, the consummation of the Plan will not necessarily for that reason be affected; but the said bonds and stocks representing said railroads or properties respectively may be pledged under said mortgage in lieu of the railroads or properties themselves. The new bonds are to be applied as follows:

In partial exchange for existing bonds (see page 5).....	\$35,540,980
Sold to Syndicate for cash requirements.....	4,459,020
Total.....	<u>\$40,000,000</u>

## SECOND.

NEW PREFERRED STOCK (\*TRUST CERTIFICATES) OF THE BALTIMORE AND OHIO  
RAILROAD COMPANY (AS REORGANIZED).

The Baltimore and Ohio Reorganization Managers will recommend to the Baltimore and Ohio Railroad Company (as Reorganized) that for the purposes of this plan it shall issue \$12,500,000 additional of its new Preferred Stock (trust certificates) to be applied as follows:

In partial exchange for existing bonds (see page 5).....	\$6,253,440
Sold to Syndicate for cash requirements. ....	6,246,560
Total.....	<u>\$12,500,000</u>

The Baltimore and Ohio Reorganization Managers will also recommend to the Baltimore and Ohio Railroad Company (as Reorganized) that it shall issue \$7,500,000 additional of its new Preferred Stock (trust certificates) for the purpose among others of restoring the reserve of such new Preferred Stock appropriated under the Plan and Agreement dated September 28, 1898, for the reorganization or consolidation of the Central Ohio Railroad Company and other Companies.

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\*The words "Trust Certificates" wherever used in this Plan refer to the Voting Trust Certificates as provided for in the Baltimore and Ohio Reorganization Plan, dated June 22, 1898.

The new Preferred Stock of the Baltimore and Ohio Railroad Company (as Reorganized) will then aggregate \$60,000,000 in amount applied as follows :

Appropriated under plan for reorganization of B. & O. R. R. Co., dated June 22, 1898.....	\$33,668,700	
For contingencies, &c. (any surplus to New Company).....	1,331,300	
Reserve for New Company (under B. & O. plan June 22, 1898).....	5,000,000	
	<hr/>	\$40,000,000

Proposed new issue :

Appropriated under Central Ohio Plan September 28, 1898.....	\$5,888,850	
Appropriated under this Plan .....	12,500,000	
For contingencies, &c. (any surplus to New Company).....	1,611,150	
	<hr/>	\$20,000,000
Total amount new Preferred Stock .....		<hr/> <hr/> \$60,000,000

The New Company will thus have an unappropriated surplus of new Preferred Stock as follows :

Reserve under B. & O. Plan of June 22, 1898.....	\$5,000,000	
Balance under B. & O. Plan of June 22, 1898, for contingencies, &c., (any surplus to New Company).....	1,331,300	
Balance for contingencies, &c., as above stated.....	1,611,150	
<b>Total surplus unappropriated.....</b>	<b>\$7,942,450</b>	
Total amount appropriated under the several Plans as above stated .....	52,057,550	
	<hr/>	<hr/> \$60,000,000

### THIRD.

#### NEW COMMON STOCK (TRUST CERTIFICATES) OF THE BALTIMORE AND OHIO RAILROAD COMPANY (AS REORGANIZED).

The Baltimore and Ohio Reorganization Managers will recommend to the Baltimore and Ohio Railroad Company (as Reorganized) that it shall issue \$10,000,000 additional of new Common Stock (trust certificates) to be applied as follows :

In exchange for existing bonds and stocks (see page 6).....	\$7,500,000	
For contingencies, &c. (any surplus to New Company).....	2,500,000	
Total.....		<hr/> <hr/> \$10,000,000



The new Common Stock of the Baltimore and Ohio Railroad Company (as Reorganized) will then aggregate \$45,000,000 in amount, applied as follows :

Appropriated under Plan for Reorganization of B. & O. R. R. Co., dated		
June 22, 1898 .....	\$31,178,000	
For contingencies, etc. (any surplus to new Company).....	3,822,000	
		<hr/> \$35,000,000
Proposed new issue :		
Appropriated under this Plan.....	\$7,500,000	
For contingencies, etc. (any surplus to new Company).....	2,500,000	
		<hr/> 10,000,000
		<hr/> \$45,000,000

The new Company will thus have an unappropriated surplus of new common stock as follows :

Balance under B. & O. Plan of June 22, 1898, for contingencies, etc.		
(any surplus to new Company).....	\$3,822,000	
Balance under this Plan for contingencies, etc. (any surplus to new		
Company).....	2,500,000	
<b>Total surplus unappropriated.....</b>	<b>\$6,322,000</b>	
Total amount appropriated under the two Plans as above stated.	38,678,000	
		<hr/> \$45,000,000

### APPLICATION OF SECURITIES.

It is contemplated that, as a consideration for the railroads and property or securities representing the same, to be conveyed and delivered to the Baltimore and Ohio Railroad Company (as Reorganized), or which it shall acquire pursuant to this Plan, it shall deliver the new bonds and stock (trust certificates), excepting such final amounts as shall be reserved as herein provided. The requisite deliveries of the new securities to depositors and subscribers under this Plan will thus be provided for.

The following details show the disposition to be made under the Plan of the new securities.

## DISPOSITION OF NEW SECURITIES IN DETAIL.

The BALTIMORE AND OHIO RAILROAD COMPANY (AS REORGANIZED) SOUTH-WESTERN DIVISION FIRST MORTGAGE THREE AND ONE-HALF PER CENT. GOLD BONDS will be disposed of as follows:

Present authorized issue..... \$40,000,000

To be used in partial exchange for existing bonds as follows :

EXISTING BONDS.	Amount Outstanding.	Per Cent. of New $3\frac{1}{2}\%$ First Mortgage Bonds Offered in Exchange.	Amount of New $3\frac{1}{2}\%$ First Mortgage Bonds.
Ohio & Mississippi Railway First Consolidated Mortgage Bonds, Extended 4%.....	\$6,385,000	107	\$6,831,950
Ohio & Mississippi Railway First Consolidated Mortgage Sterling Bonds, Extended 4%.....	83,000	104	86,320
Ohio & Mississippi Railway Second Consolidated Mortgage 7% Bonds (Currency).....	2,952,000	124	3,660,480
Ohio & Mississippi Railway First Mortgage Springfield Division 7% Bonds (Currency).....	1,993,000	100	1,993,000
Ohio & Mississippi Railway General Mortgage 5% Bonds (Currency).....	313,000	90	281,700
B. & O. Southwestern Railroad First Mortgage $4\frac{1}{2}\%$ Bonds, B. & O. Southwestern Railway First Consolidated Mortgage $4\frac{1}{2}\%$ Gold Bonds.....	10,667,000	106	11,307,020
B. & O. Southwestern Terminal Company 5% Gold Bonds.....	10,363,900	90	9,327,510
Cincinnati & Baltimore Railroad First Mortgage 7% Bonds.....	1,500,000	103	1,545,000
Marietta Railway First Mortgage 4% Bonds.....	333,000	100	333,000
	175,000	100	175,000
	34,764		\$35,540,980
Sold to Syndicate for cash requirements.....			4,459,020
			\$40,000,000

The NEW PREFERRED STOCK (Trust Certificates) will be disposed of as follows :

Proposed increased issue..... \$12,500,000

To be used in partial exchange for existing bonds as follows :

EXISTING SECURITIES.	Amount Outstanding.	Per Cent. of New Preferred Stock Offered in Exchange.	Amount of New Preferred Stock.
Ohio & Mississippi Railway First Consolidated Mortgage Bonds, Extended 4%.....	\$6,385,000	10	\$638,500
Ohio & Mississippi Railway First Consolidated Mortgage Sterling Bonds, Extended 4%.....	83,000	10	8,300
Ohio & Mississippi Railway Second Consolidated Mortgage 7% Bonds (Currency).....	2,952,000	$12\frac{1}{2}$	369,000
Ohio & Mississippi Railway First Mortgage, Springfield Division, 7% Bonds (Currency).....	1,993,000	$12\frac{1}{2}$	249,125
Ohio & Mississippi Railway General Mortgage 5% Bonds (Currency).....	313,000	10	31,300
B. & O. Southwestern Railroad First Mortgage $4\frac{1}{2}\%$ Bonds, B. & O. Southwestern Railway First Consolidated Mortgage $4\frac{1}{2}\%$ Gold Bonds.....	10,667,000	10	1,066,700
B. & O. Southwestern Railway First Income Mortgage 5% Bonds, Series A.....	10,363,900	10	1,036,390
B. & O. Southwestern Terminal Company 5% Gold Bonds.....	8,750,000	30	2,625,000
Cincinnati & Baltimore Railroad First Mortgage 7% Bonds....	1,500,000	$12\frac{1}{2}$	187,500
	333,000	$12\frac{1}{2}$	41,625
			\$6,253,440
Sold to Syndicate for cash requirements.....			6,246,560
			\$12,500,000

The NEW COMMON STOCK (Trust Certificates) will be disposed of as follows :

Proposed increased issue..... \$10,000,000

To be used in partial exchange for existing bonds and stocks as follows :

EXISTING SECURITIES.	Amount Outstanding.	Per Cent. of New Common Stock Offered in Exchange.	Amount of New Common Stock.
B. & O. Southwestern Railway First Income Mortgage 5% Bonds, Series A.....	\$8,750,000	20	\$1,750,000
B. & O. Southwestern Railway First Income Mortgage 5% Bonds, Series B. ....	10,000,000	22½	2,250,000
B. & O. Southwestern Railway Preferred Stock.....	20,000,000	17½	3,500,000
			\$7,500,000
For contingencies, etc. (any surplus to new Company).....			2,500,000
			\$10,000,000

### SYNDICATE.

A Syndicate has been formed by Messrs. Speyer & Co. and Messrs. Kuhn, Loeb & Co., of New York, and Messrs. Speyer Brothers, of London, to purchase \$4,459,020 of the new Baltimore and Ohio Railroad Company (as Reorganized) Southwestern Division First Mortgage 3½ Per Cent. Gold Bonds and \$6,246,560 of the new Preferred Stock (Trust Certificates).

And also to protect the New Company in the ownership and possession of the properties covered by \$21,030,900 of the existing mortgage bonds of the Baltimore and Ohio Southwestern Railway Company of different issues, by agreeing to purchase from the New Company the new securities not taken, but to which the holders of such bonds would have been entitled if deposited under the Plan, and also to make advances and perform other obligations essential for the purposes of the Plan.

### CONDITIONS OF PARTICIPATION.

Participation under this Plan of Reorganization in any respect whatsoever is dependent upon the deposit of securities with the Depositary, The Mercantile Trust Company, at its office, Number 120 Broadway, in the City of New York, or at its London agency, the London and Westminster Bank, Limited, in the City of London, within such time as may be fixed by notice, and the Plan will embrace only securities so deposited. No securities will be received on deposit except in negotiable form, and bonds must carry all coupons or claims for interest on registered bonds maturing on or after January 1, 1899 (excepting B. & O. Southwestern Railway First Income Mortgage 5 Per Cent. Bonds, Series



A and B, which must carry all matured and unpaid coupons). The Syndicate will purchase for cash at their face value such coupons and claims for interest on registered bonds maturing January 1, 1899, from holders who deposit their bonds under the plan, upon the Certificates of Deposit for such bonds being stamped "Ex Interest due January 1, 1899," and the said coupons or claims for interest on registered bonds being respectively delivered or assigned to the Syndicate or upon its order. Upon the completion of the reorganization there will be paid in cash upon all deposited bonds (not including, however, B. & O. Southwestern Railway First Income Mortgage 5 Per Cent. Bonds, Series A and B), interest at the respective rates provided in the old bonds up to January 1, 1899, from the coupon date last preceding, excepting in the case of bonds represented by Certificates of Deposit stamped as aforesaid, "Ex Interest due January 1, 1899."

The Depositary will issue proper receipts or certificates of deposit for all securities deposited.

The securities deposited hereunder will be held by the Depositary, subject to the order and control of the Reorganization Managers, as provided in the Reorganization Agreement.

All securities deposited under the plan are to be kept alive so long as deemed necessary by the Reorganization Managers or the New Company for the purposes of the reorganization or the protection of the New Company or its security holders.

#### CASH REQUIREMENTS AND PROVISION THEREFOR.

For improvements, cutting down grades, equipment, etc.....	\$5,500,000
To take up existing Car Trusts, Collateral Loan and Floating Debt (Estimated) .....	2,444,329
Reorganization expenses, Syndicate compensation, etc., any surplus to New Company.....	1,400,000
Total.....	<u>\$9,344,329</u>

To be raised as follows :

By sale of \$4,459,020 of new 3½ Per Cent. First Mortgage Bonds and \$6,246,560 of new Preferred Stock (Trust Certificates).....	8,858,523
By sale Sundry Treasury Assets.....	485,806
	<u>\$9,344,329</u>

## POSITION OF THE BALTIMORE AND OHIO RAILROAD COMPANY (AS REORGANIZED) UPON THE CONSUMMATION OF THIS PLAN.

Upon the completion of the reorganization of the Baltimore and Ohio Railroad Company and of the reorganization or consolidation of the Central Ohio Railroad Company's system and the Pittsburgh Junction Railroad Company, and upon the consummation of this Plan, the position of the Baltimore and Ohio Railroad Company (as Reorganized), it is estimated, will be as follows :

The net earnings from operations, together with earnings from miscellaneous sources, for the year ending June 30, 1898, including net earnings from Central Ohio system and Pittsburgh Junction Railroad Company, were.....	\$8,547,433
From which, however, will have to be deducted the sum of about \$251,000, representing the decrease in the amount of miscellaneous income occasioned by the sale of securities and the cancellation of sinking fund investments under the Reorganization Plan of the Baltimore and Ohio Railroad Company, dated June 22, 1898.....	251,000
Leaving .....	\$8,296,433
Add to this the net earnings of the Baltimore and Ohio Southwestern system for the year ending June 30, 1898, including miscellaneous income .....	1,989,761
Total.....	\$10,286,194

Deduct fixed charges of B. & O. :

\$70,000,000 Prior Lien 3½ Per Cents.....	\$2,450,000
\$15,000,000 New 3½ Per Cent. Pittsburgh Junction and Middle Division First Mortgage Gold Bonds .....	525,000
\$40,000,000 New 3½ Per Cent. Southwestern Division First Mortgage Gold Bonds .....	1,400,000
\$50,000,000 First Mortgage 4 Per Cents.. ..	2 000,000
Estimated Rentals (including 4 per cent. on \$6,000,000 Belt Line Railroad Mortgage Bonds, and excluding rentals of Central Ohio System), about .....	500,000
* Taxes .....	544,794
Taxes—B. & O. Southwestern System.....	293,998
Terminals.....	202,000
Ground rents and mortgage interest.....	75,000
	\$7,990,792
Leaving a surplus over fixed charges of about.....	\$2,295,402

Apart from the large amount provided in the Plan for the Reorganization of the Baltimore and Ohio Railroad Company, dated June 22, 1898, to be expended on the properties comprised therein, and for additional equipment, the Plan for the Reorganization or Consolidation of the Central Ohio Railroad System, dated September 28, 1898, provides the further amount of \$3,000,000 to be expended on the properties comprised therein and for additional equipment; and this Plan (see page 5) provides the further amount of \$5,500,000 to be expended in like manner on the Baltimore and Ohio Southwestern System. The above statement of earnings does not allow for any increase in earnings from these expenditures, which, it is confidently expected, should largely increase the surplus over fixed charges.

\* In case foreclosure shall be found necessary, the exemption from taxation under the old charter of the Baltimore and Ohio Railroad Company may be lost and the amount of annual taxes increased.

The amount of \$5,500,000, reserved for improvements, cutting down grades, equipment, etc., is necessary to carry out the original plan adopted when the Baltimore and Ohio Southwestern Railroad Company was reorganized, and to bring the property to the standard required for advantageous and profitable operation in connection with the Baltimore and Ohio Railroad Company (as Reorganized).

The Company's accounts have been examined at the request of the Reorganization Managers by Mr. Stephen Little, who certifies to the correctness of the figures contained in this Plan.

The consummation of this Plan is conditional upon the Baltimore and Ohio Railroad Company (as Reorganized) approving the same, and consenting to issue its Southwestern Division First Mortgage 3½ Per Cent. Gold Bonds and Preferred and Common Stock as herein provided within one year from the date hereof, or such further time as the Reorganization Managers shall allow. In case the Baltimore and Ohio Railroad Company (as Reorganized) should fail to fulfill the foregoing conditions this Plan will be abandoned, and deposited securities will be returned to depositors upon surrender of the Certificates of Deposit therefor without expense, unless some modification of the Plan satisfactory to the depositors shall be proposed, in which case due notice of such modified Plan will be given, and depositors will be afforded an opportunity to withdraw their deposited securities in case the modification of the Plan is not acceptable to them.

Dated December 15, 1898.



**TABLE A.**  
**MILEAGE OF ROAD.**

	FIRST TRACK. Miles.	SECOND TRACK. Miles.	SIDE TRACKS. Miles.
MAIN TRACK :			
Belpre to Cincinnati.....	192.88	15.20	85.33
Cincinnati to East St. Louis.....	339.46	.....	118.10
MARIETTA BRANCH :			
Belpre to Marietta.....	11.09	.....	1.80
PORTSMOUTH BRANCH :			
Hamden to Portsmouth.....	55.43	.....	24.26
HILLSBORO BRANCH :			
Blanchester to Hillsboro.....	21.43	.....	2.93
LOUISVILLE BRANCH :			
North Vernon to Jeffersonville.....	53.31	.....	9.50
Watson to New Albany.....	7.46	.....	1.85
BEDFORD BRANCH :			
Rivervale to Bedford..	11.40	.....	.....
SPRINGFIELD DIVISION :			
Beardstown to Shawneetown.....	228.25	.....	38.04
Total .....	920.71	15.20	281.81
B. & O. S. W. Terminal .....	.....	.....	7.38
Marietta Terminal.....	0.27	.....	1.09
Operated under Trackage Rental — Central Union			
Depot to I. & C. Transfer.....	1.20	.....	.....
Total lengths of all tracks.....	922.18	15.20	290.28
Total Mileage.....			1,227.66

## APPENDIX.

TABLE "B"

Showing amount of cash and new securities which deposited securities will be entitled to receive on completion of reorganization.

EXISTING BONDS AND STOCK TO BE DEPOSITED.	EACH \$1,000 RECEIVES			
	*Cash.	New Southwestern Division 3½% Gold Bonds.	New Preferred Stock Trust Certificates.	New Common Stock Trust Certificates.
Ohio & Mississippi Railway First Consolidated Mortgage Bonds, Extended 4 Per Cent. ....	\$20 00	\$1,070	\$100	
Ohio & Mississippi Railway First Consolidated Mortgage Sterling Bonds, Extended 4 Per Cent. ....	20 00	1,040	100	
Ohio & Mississippi Railway Second Consolidated Mortgage 7 Per Cent. Bonds (Currency).....	17 50	1,240	125	
Ohio & Mississippi Railway First Mortgage Springfield Division 7 Per Cent. Bonds (Currency).....	11 67	1,000	125	
Ohio & Mississippi Railway General Mortgage 5 Per Cent. Bonds (Currency).....	4 17	900	100	
Baltimore & Ohio Southwestern Railroad First Mortgage 4½ Per Cent. Bonds .....	22 50	1,060	100	
Baltimore & Ohio Southwestern Railway First Consolidated Mortgage 4½ Per Cent. Gold Bonds.....	22 50	900	100	
Baltimore & Ohio Southwestern Railway First Income Mortgage 5 Per Cent. Bonds, Series A.....			300	\$200
Baltimore & Ohio Southwestern Railway First Income Mortgage 5 Per Cent. Bonds, Series B.....				225
Baltimore & Ohio Southwestern Railway Preferred Stock.....				175
Baltimore & Ohio Southwestern Terminal Company 5 Per Cent. Gold Bonds .....	8 33	1,030	125	
Cincinnati & Baltimore Railroad First Mortgage 7 Per Cent. Bonds..	35 00	1,000	125	
Marietta Railway First Mortgage 4 Per Cent. Bonds.....	6 67	1,000		

\* Interest at the rate provided in the old bonds from the date of the last matured coupon next preceding January 1, 1899, up to the date when the new bonds begin to bear interest, namely, January 1, 1899, excepting in respect of bonds represented by Certificates of Deposit stamped "Ex Interest due January 1, 1899," as stated in Plan.





## AGREEMENT.

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**An Agreement,** made this fifteenth day of December, one thousand eight hundred and ninety-eight, between

**Speyer & Company** and **Kuhn, Loeb & Company**, of New York, and **Speyer Brothers**, of London, as Reorganization Managers (hereinafter called the "**Managers**"), parties of the first part;

**Holders of the mortgage bonds and stocks, hereinafter mentioned, who shall become parties to this agreement** (hereinafter called "**Depositors**"), parties of the second part; and

**The Mercantile Trust Company**, of the City of New York (hereinafter called the "**Depository**"), party of the third part.

**Whereas**, the Baltimore and Ohio Railroad Company has made default in the payment of its obligations, and Receivers of its railroad and property have been appointed;

**And Whereas**, a plan has been proposed for its reorganization, and the parties of the first part, as Reorganization Managers, are engaged in carrying out said plan;

**And Whereas**, the Baltimore and Ohio Southwestern system of railroads has heretofore been operated in connection with the Baltimore and Ohio Railroad system, and the plan referred to in this agreement has been proposed for the reorganization of the Baltimore and Ohio Southwestern Railway Company and the exchange of its existing securities for new securities of the Baltimore and Ohio Railroad Company, as Reorganized (the term "New Company" hereinafter employed meaning either the Baltimore and Ohio Railroad Company or such successor company or companies as may be organized under the Plan for its Reorganization, dated June 22, 1898);

**And Whereas**, the parties of the first part have consented to undertake the consummation of this plan and agreement:

**Now, Therefore**, it is mutually agreed by and between the respective parties hereto as follows:

**FIRST.** A printed copy of this agreement, signed by the parties hereto of the first and third parts, shall be lodged with The Mercantile Trust Company in the City of New York, and a duplicate signed in like manner shall be lodged with the London and Westminster Bank, Limited, in the City of London. Each of said copies shall be taken as a complete and original instrument, but both shall constitute but one agreement. The foregoing Plan is and shall be taken to be a part of this agreement, with the same effect as though each and every provision thereof had been embodied herein, and said Plan and this agreement shall be read as parts of one and the same paper; but no estimate, statement, explanation or suggestion contained in the said Plan or this agreement, or in any circular issued, or which may hereafter be issued, by the Depository, or by the Managers, is intended, or is to be accepted, as a representation or warranty, or as a condition of deposit or assent under the Plan and this agreement, and no defect or error shall release any deposit under this Plan and agreement, or affect or release any assent thereto, except by written consent of the Managers.

Holders of the following-named bonds and stocks, or any of them, may become parties to this Plan and agreement by depositing their securities with the Depositary upon the terms and conditions specified in the Plan and this agreement, or hereafter defined, and within the periods which shall be fixed or limited by the Managers:

Ohio and Mississippi Railway First Consolidated Mortgage Bonds, Extended 4 Per Cent.  
 Ohio and Mississippi Railway First Consolidated Mortgage Sterling Bonds, Extended 4 Per Cent.  
 Ohio and Mississippi Railway Second Consolidated Mortgage 7 Per Cent. Bonds (Currency).  
 Ohio and Mississippi Railway First Mortgage Springfield Division 7 Per Cent. Bonds (Currency).  
 Ohio and Mississippi Railway General Mortgage 5 Per Cent. Bonds (Currency).  
 B. & O. S. W. Railroad First Mortgage  $4\frac{1}{2}$  Per Cent. Bonds.  
 B. & O. S. W. Railway First Consolidated Mortgage  $4\frac{1}{2}$  Per Cent. Gold Bonds.  
 B. & O. S. W. Railway First Income Mortgage 5 Per Cent. Bonds, Series "A."  
 B. & O. S. W. Railway First Income Mortgage 5 Per Cent. Bonds, Series "B."  
 B. & O. S. W. Railway Preferred Stock.  
 B. & O. S. W. Terminal Company 5 per Cent. Gold Bonds.  
 Cincinnati and Baltimore R. R. First Mortgage 7 Per Cent. Bonds.  
 Marietta Railway First Mortgage 4 Per Cent. Bonds.

Such holders must in all cases deposit the certificates for their stock, or their bonds or coupons or other securities, with such transfers, assignments and powers of attorney as may be required by the Managers in order to vest in them, and to enable them to transfer the complete and absolute title to such stocks, bonds, coupons, or other securities, and the Depositors agree respectively at any time on demand of the Managers to execute any and all other transfers, assignments or writings required for vesting the complete ownership of the bonds, coupons and stocks deposited hereunder in the Managers or their nominees. All Depositors shall receive Certificates of Deposit in form to be prescribed by the Managers specifying the respective bonds, coupons or stock deposited, and the holders of such Certificates of Deposit issued hereunder shall be entitled, subject to any provisions contained in such certificates, only to the rights and benefits specified in the Plan and this agreement as accruing to the holders of the bonds, coupons or stocks of the class represented by such certificates respectively or granted by the Managers pursuant to the powers conferred upon them, and thereafter the holder of any such certificate or of any certificate issued in lieu thereof or in exchange therefor shall be subject to the Plan and this agreement and entitled to have and exercise only the rights of the original Depositor under the certificate issued to him in respect of the securities therein mentioned.

Such Certificates of Deposit issued hereunder and the interests represented thereby shall be transferable only subject to the terms and conditions of the Plan and this agreement, and in such manner as the Managers shall approve; and upon such transfer, all rights of the Depositors or in respect of the deposited bonds, coupons or stock represented by such Certificates, and all rights under the Certificates of Deposit transferred, shall pass to the transferee, and the transferees and holders of such Certificates of Deposit shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of Certificates of Deposit issued hereunder, shall be embraced under the term "Depositors," whenever used herein. Each Certificate of Deposit may be treated by the Managers and by the Depositary as a negotiable instrument, and the holder for the time being may be deemed to be the absolute owner thereof, and of all rights of the original Depositor of the bond, coupon, stock or other security in respect of which the same was issued, and neither the Depositary nor the Managers shall be affected by any notice to the contrary. By accepting any such Certificate, every recipient or holder thereof shall



thereby become party to the Plan and this agreement with the same force and effect as though an actual subscriber hereto. The term Depositor, whenever used herein, is intended, and shall be construed, to include not only persons acting in their own right, but also trustees, guardians, committees, agents and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint-stock companies and corporations. No rights hereunder shall accrue in respect of any securities hereinbefore mentioned unless, or until, the same shall have been subjected to the control of the Managers and to the operation of the Plan and this agreement as herein provided.

The Depositary shall receive the deposited stocks, bonds and coupons, or other securities, and shall hold the same respectively subject to the order and control of the Managers.

The Managers may in their discretion fix or limit the period or periods within which holders of bonds, coupons or stock or other securities, or any class thereof, may deposit their securities, and within which they may become parties to the Plan and this agreement, and in their discretion, either generally or in special instances, may extend or renew the period or periods so fixed or limited on such terms and conditions as they may see fit.

Holders of securities not deposited within the periods respectively fixed or limited therefor, will not be entitled to deposit the same or to become parties to this agreement or to share in the benefits thereof, and shall acquire no rights thereunder, except upon obtaining the express consent of the Managers, who may withhold or give such consent in their absolute discretion and upon such terms and conditions as they may see fit.

SECOND. The Depositors hereby irrevocably request the Managers to endeavor to carry into practical operation the Plan and this agreement in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Managers shall deem to be for the best interests of the Depositors or of the properties finally embraced in the readjustment or reorganization. Each and every Depositor, for himself and not for any other, does hereby sell, assign, transfer and set over to the Managers as copartners, and to the survivor and survivors of them and to their successors, each and every bond, coupon, share of stock, security or obligation or evidence thereof deposited hereunder, and every Depositor hereby agrees that the Managers shall be, and they are hereby, vested with all the rights and powers of owners of the stocks, bonds, coupons, securities and obligations deposited hereunder, including the right to transfer the same into their own names, as copartnerships and as Managers, or into the name of any other person or persons whom they may select; and (without limiting the foregoing provision) it is hereby declared that the Managers shall be fully authorized to vote thereon at any meeting of stockholders or bond or certificate holders or creditors; to use every such stock, bond, coupon, security or obligation as fully and to the same extent as the owner or holder thereof; to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and, either in person or by proxy, to vote at any and all meetings of stockholders, bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust, contract or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any Trustees or the substitution of other Trustees, or to take any other steps in respect of any trust, contract or lease or under any provision thereof; to purchase at any time or times, at such prices as they shall deem proper, or to pay, compromise or settle with the holders of any coupons, notes or other indebtedness of any of the Railroad Companies heretofore known as part of the Baltimore and Ohio Southwestern System, and to apply for that purpose any moneys in any manner received or raised by them; to borrow money for any of the purposes of this agreement, and to charge or pledge any deposited securities, property purchased, or new securities to be issued or delivered hereunder for the payment of any moneys borrowed; to give



all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder, or any part thereof; to institute or to become parties to any legal proceeding; to apply for Receivers, or for the removal of Receivers and the substitution of other Receivers, or for the termination of any receivership and the delivery of any property to its owners; to settle any litigation now or at any time existing or threatened in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the consummation of the Plan; to do whatever, in the judgment of the Managers, may be necessary to promote or to procure the sale as an entirety or the joint or separate sales of any property or franchises herein concerned wherever situated; to adjourn any sale of any property or franchises, or any portion or lot thereof, at discretion; to bid or to refrain from bidding at any sale, either public or private, either in separate lots or as a whole, for any property or franchises or any part thereof, whether or not owned, controlled or covered by any deposited security, including or excluding any particular rolling stock or other property, real or personal; and at, before or after any sale to arrange and agree for the resale of any portion of the property which they may decide to sell rather than to retain; to hold any property or franchises purchased by them either in their name or in the name of persons or corporations by them chosen for the purposes of this agreement, and to apply any security embraced hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; and the term property and franchise shall include any and all railroads, railroad and other transportation lines, branches, leaseholds, lands, rights in lands, mining rights, stocks or other interests in corporations in which any of the railroads now or hereafter embraced in the Plan has any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Managers for any property or franchises shall be absolutely discretionary with them; and, in case of the sale to others of any property or franchises, the Managers may receive, out of the proceeds of such sale, or otherwise, any dividend in any form accruing on any securities held by them.

THIRD. The Managers may, without any reorganization or consolidation of the companies whose securities shall be deposited hereunder, sell or otherwise dispose of the deposited bonds and stocks in exchange for the new securities to be delivered to the Depositors as provided in the Plan, or they may procure the organization of one or more new companies, or they may adopt or use any existing or future companies, and they may cause to be made such consolidations, leases, sales, or other arrangements, and may make or cause to be made such conveyances or transfers of any properties or securities acquired by them, and may take such other proceedings as they may deem proper for the purpose of carrying out all or any of the provisions of the Plan and this agreement. The Managers shall further be authorized to receive and dispose of, in accordance with any of the provisions of this Plan and agreement, the new securities to be issued or delivered under this Plan in exchange for the deposited bonds and stocks.

FOURTH. The Managers may construe the Plan and this agreement; and their construction thereof or action thereunder, in good faith, shall be final and conclusive. They may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and they shall be the sole judges of such necessity. They shall be the sole and final judges as to when and whether the assent of enough parties interested in the several Railroad Companies shall have been obtained to warrant them in declaring the same or any part thereof operative, or in carrying the same or any part thereof into effect, and they shall have power whenever they shall deem proper, at any time before the new securities shall have been issued and delivered to the Depositors, to abandon or to alter, modify or depart from, the Plan or any part thereof. They may at any time or times, after any such partial abandonment, restore to the Plan any

abandoned part or parts thereof, and may seek to carry the same into effect, as fully as if such part or parts had not been abandoned. They may also attempt to carry the Plan into effect rather than abandon or modify the same, even though it be manifest that, as carried out, the Plan must depart from the original Plan or from some part thereof. But in case of any intentional change or modification or departure from the Plan, which, in their judgment, shall materially affect any of the several classes of Depositors or their mutual relations, a statement of such proposed change, modification or departure shall be filed with the Depositary in New York and also with its agent the London and Westminster Bank, Limited, in London, and notice of the fact of such filing shall be given as hereafter provided in Article Twelfth; and within two weeks after final publication all holders of the outstanding Certificates for such particular class or classes of securities affected thereby may surrender their respective Certificates therefor and withdraw securities of such particular class or classes, or the proceeds thereof, or substitutes therefor then under the control of the Managers, to the amount indicated in such Certificates without expense to the Depositors. Every Depositor of securities not so surrendering and withdrawing within such two weeks after final publication shall be deemed to have assented to the proposed changes or modifications, and, whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modifications finally made by the Managers shall be part of the Plan and this agreement; and all provisions and references concerning the Plan shall apply to the Plan so changed or modified. In every such case of withdrawal any cash advanced to Depositors, and any interest paid or advanced to holders of Certificates of Deposit in respect of deposited bonds, represented by such Certificates of Deposit, or in respect of the new bonds to be issued and delivered in exchange therefor under the Plan, must be repaid, if the Managers so require, by the holders of such Certificates before the deposited bonds represented by such Certificates of Deposit shall be surrendered in exchange therefor; but any interest collected by the Managers on deposited securities will, in case of such withdrawal, be accounted for by the Managers to the holders of the Certificates of Deposit for such securities. In case the Managers shall finally abandon the entire Plan, the stocks and bonds and coupons deposited hereunder or their proceeds, or any stocks, bonds, coupons, securities or claims or representatives thereof, then under the control of the Managers, shall be delivered to the several Depositors in amounts representing their respective interests upon surrender of their respective Certificates of Deposit without expense to the Depositors.

FIFTH. The Managers may proceed under the Plan and this agreement or any part thereof with or without foreclosure, and in case of foreclosure may exercise any power, either before or after foreclosure sale; and in every case all the provisions of the Plan and this agreement shall equally apply to and in respect of any physical properties embraced under the readjustment or reorganization and to and in respect of any securities representing any such property, it being intended that for all purposes thereunder any such property, and any securities representing such property, may be treated by the Managers as substantially identical. In case any separate Plan shall in the opinion of the Managers become necessary or expedient to effect the reorganization of any subordinate or other company, the Managers may promote and participate in any such reorganization and may deposit thereunder any securities thereby affected.

The Managers may, if they deem it expedient, arrange for the consolidation of the various railroad lines comprised in the Baltimore and Ohio Southwestern system—or without foreclosure or consolidation of any of said lines they may transfer or deliver to the New Company the securities deposited hereunder in exchange for the new securities to be issued and delivered by the New Company as consideration therefor.

Any action contemplated in the Plan and this agreement to be performed on or after completion and readjustment, reorganization or consolidation may be taken by the Managers at any time when they



shall deem the reorganization or consolidation advanced sufficiently to justify such course, and the Managers as they may deem necessary may defer the performance of any provision of the Plan and this agreement, or may commit such performance to the New Company.

They may also in their discretion set apart and hold in trust, or place in trust with any trust company, any part of the new securities to be issued or delivered by the New Company hereunder, and cash which may be received from sales of such new securities, or otherwise, as they may deem judicious for the purpose of securing the application thereof for any of the purposes of the Plan and this agreement.

SIXTH. From time to time, for the purpose of carrying this agreement into effect, or of obtaining assents thereto, the Managers, either generally or in specific instances, may make contracts with any person, syndicate or corporation, and, in their discretion, either generally or in specific instances, and upon such general or special terms and conditions as they may deem proper, may arrange to procure the deposit of securities hereunder; they may also, from time to time, by loan, guaranty, or by sale of the new securities to be issued or delivered, or otherwise, upon such terms, conditions and rates as said Managers may deem proper, obtain any moneys required to carry out the Plan and this agreement; and for the performance of any contract said Managers may charge the deposited securities and the new securities to be issued, and may pledge the same for the payment of any moneys borrowed and interest thereon, and other performance of any other obligations incurred under the powers herein conferred. The Managers may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by them deemed reasonable for the purpose of this agreement. They may prescribe the form of all securities, mortgages and all instruments at any time to be issued or entered into. They may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder. The Managers may, at public or private sale, or otherwise, dispose of any bonds and Trust Certificates for stock of the New Company left in their hands because of any failure to make deposit hereunder.

In so disposing of any such new securities thus left in their hands, they may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as they may deem expedient and advisable. At the time of the creation of the new securities, or as soon thereafter as may be, the Managers may take such action (either by creating lesser amounts of securities, or otherwise) as they may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of the Plan.

SEVENTH. The said firms of Speyer & Co. and Kuhn, Loeb & Co., of New York, and Speyer Brothers, of London, shall be the Managers under this agreement. So far as practicable the three firms as such Managers shall act and concur in all steps and proceedings hereunder, but, in the event of the three firms not concurring, the concurrent action of any two of said firms shall be the action of the Managers, and no action shall be taken except with the assent of at least two of said three firms. The said firms as Managers shall each act as a copartnership, and, in case of any change in either of said firms, the respective firms of Speyer & Co., Kuhn, Loeb & Co. and Speyer Brothers, or their respective successor firms, as from time to time constituted, shall continue as Managers, with all the powers, rights and title vested in the Managers hereunder. Neither the Managers nor the Depositary assume any personal responsibility for the execution of the Plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof; the Managers, however, undertaking in good faith to endeavor to execute the same. No Depositary, nor any of the Managers, shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his,



its or their own individual wilful malfeasance or neglect, and no Depositary or any of the Managers shall be personally liable for the acts or defaults of any other Depositary or Manager or of any Trust Company. The Managers may act through any committee or agents, and may delegate any authority, as well as discretion, to any such committee or agent, and the members of such committee or such agents may be allowed a reasonable compensation for their services hereunder. The Managers shall be entitled to compensation for their services, which shall be fixed by agreement between the Managers and the Board of Directors of the New Company, and, as so fixed, shall be finally binding and conclusive upon all parties. The Managers shall have the right to form or procure the formation of any Syndicate or Syndicates which they may deem necessary or advantageous for carrying out the purposes of the Plan, and may act as Managers of such Syndicate or Syndicates. Any of said firms or any member thereof or any Depositary may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including participation in or under any syndicate agreement, as Syndicate Managers, or otherwise, whether or not mentioned in the Plan. Any direction given by the Managers shall be full and sufficient authority for any action of the Depositary or of any Trust Company or of any other custodian or of any committee or agent.

EIGHTH. The Managers may negotiate and contract with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other convenience which they may deem necessary or desirable to obtain or to grant, and may make contracts therefor, and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in their opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting or known as part of the Baltimore and Ohio Southwestern Railroad System, or to prevent or avoid opposition to or interference with the successful execution hereof.

NINTH. The accounts of the Managers shall be filed with the Board of Directors of the New Company within one year after its organization shall have been completed, unless a longer time be granted by the said Board. The accounts, when approved by such Board of Directors, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Managers shall be discharged. The acceptance of new securities by any Depositor shall estop such acceptor from questioning the conformity of such securities in any particular to any provisions of the Plan; and the acceptance of new securities by the holders of a majority in amount of the Certificates of Deposit for any class of securities shall in each case respectively estop all holders of Certificates of Deposit for securities of that class.

TENTH. The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Managers, in respect of all securities deposited or to be deposited, and in all other respects, any and all powers which the Managers may deem necessary or expedient in or towards carrying out or promoting the purposes of the Plan and this agreement in any respect, even though any such power be apparently of a character not now contemplated; and the Managers may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, they may deem expedient. The methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Managers.

The bonds, coupons and other obligations deposited under the Plan and this agreement, and all securities, obligations or claims purchased or otherwise acquired under this agreement, shall remain in

full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by any delivery of new securities; and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any judgment upon any of such claims, including claims and judgments for deficiencies, and all liens and equities, shall remain unimpaired, and may be enforced by the Managers or by the New Company or by any other assign of the Managers until paid or satisfied in full or expressly released. Neither the Managers nor any bondholders or creditors of any of the Railroad Companies embraced in the Plan, by executing this agreement, or by becoming parties thereto, release, surrender or waive any lien, right or claim in favor of any stockholders or other creditors of such Company, and all such liens, rights or claims shall vest unimpaired in the Managers and in the New Company, or its assigns, severally and respectively; and any purchase or purchases by or on behalf of the Managers, or the New Company, under any decree for the enforcement of any such lien, right or claim, shall vest the property purchased in the Managers or the New Company free from all interest or claim on the part of any such stockholders, creditors or other parties. No right is conferred, nor any trust, liability or obligation (except the agreements herein contained in favor of the holders of Certificates of Deposit hereunder) is created by the Plan and this agreement, or is assumed hereunder, or by or for any New Company in favor of any bondholder, or any other creditor, or of any holder of any claim whatsoever against any of the Railroad Companies embraced herein, nor in favor of any company now existing or to be formed hereafter (whether such claim be based on any bonds, coupons, stocks, securities, lease, guaranty or otherwise), with respect to any securities deposited under this agreement, or any moneys paid to or received by the Managers or by the Depositary hereunder, or with respect to any property acquired by purchase at any foreclosure sale, or with respect to any new certificates to be issued hereunder, or with respect to any other matter or thing.

ELEVENTH. All moneys paid under or with reference to the Plan and this agreement shall be paid over to the Managers, who shall as Bankers hold the same subject to application for any of the purposes of the Plan and this agreement as may be most convenient, and as from time to time may be determined by the Managers, whose determination as to the propriety and purpose of any such application shall be final, and nothing in the Plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the Plan either as proposed or carried out, or any securities held as collateral for any such obligation, may be acquired or extinguished or held by the Managers at such time, in such manner, and upon such terms as they may deem proper for the purposes of the reorganization, but nothing in the Plan and this agreement contained is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

TWELFTH. All notices fixing or limiting any period for the deposit of securities and all other calls or notices hereunder, except when herein otherwise expressly provided, shall be published in two daily papers of general circulation published in the City of New York, and in two daily papers of general circulation published in the City of London, twice in each week for two successive weeks, beginning on any day of the week. Any call or notice whatsoever when so published by the Managers shall be taken and considered as though personally served on all parties hereto and upon all parties bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this Plan and agreement. When a call or notice shall have been advertised, as above specified, in New York or in London, publication shall be complete as regards all holders of Certificates of Deposit issued by the Depositary in the city in which such publication shall have been made, and no further publication shall be required in such city.

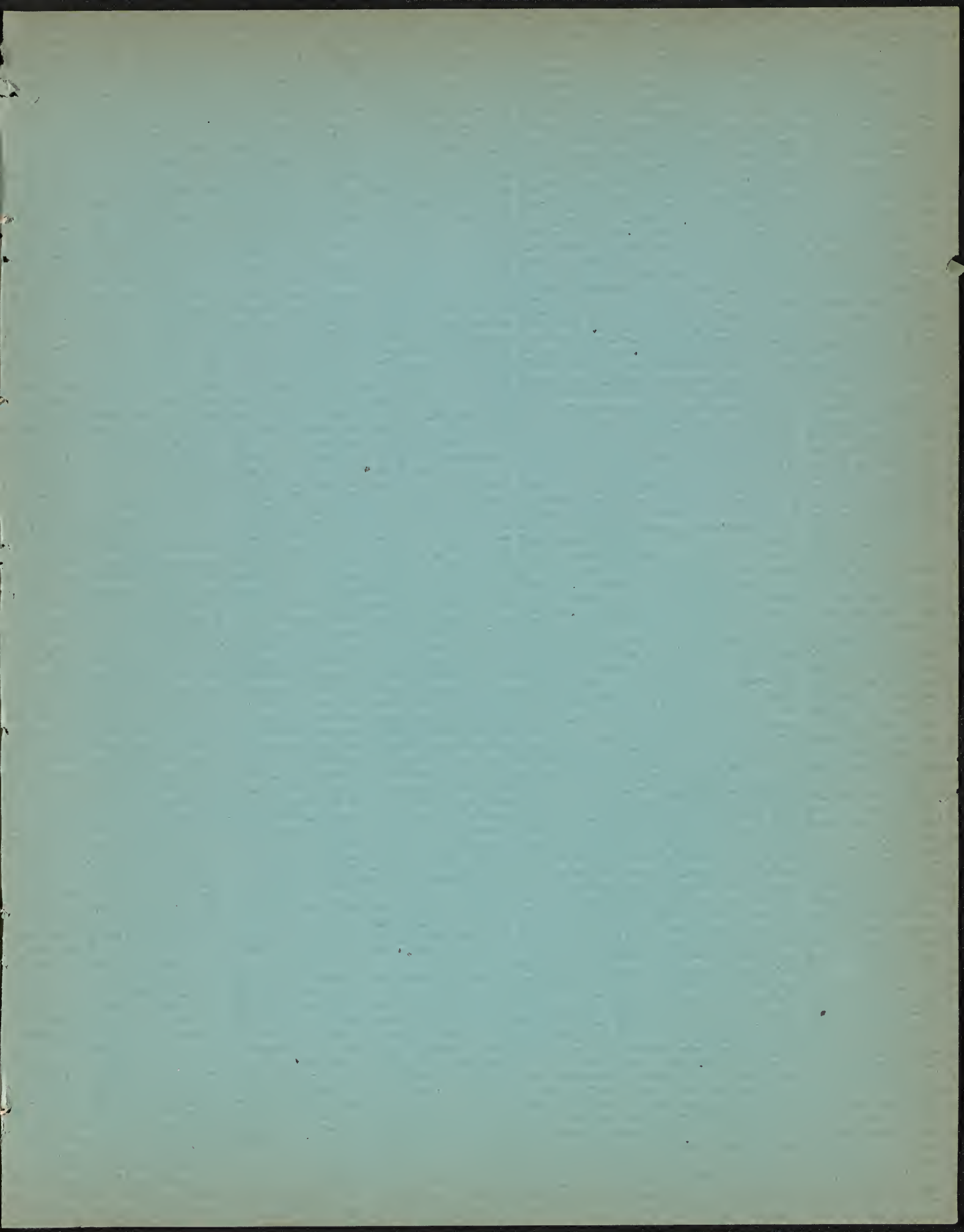
**THIRTEENTH.** The consummation of this Plan and agreement is conditional upon the assent thereto of the Baltimore and Ohio Railroad Company, as Reorganized, and the issue by it of the proposed new bonds and stocks to be delivered in exchange for the securities deposited hereunder and for other purposes hereof. Unless the Baltimore and Ohio Railroad Company, as Reorganized, shall accept this Plan and agreement as now proposed or as modified by the Managers pursuant to the terms hereof, and issue and deliver such new bonds and stocks within one year from the date hereof, this Plan and agreement will be abandoned, and the deposited securities will be returned to the holders of certificates of deposit therefor upon the surrender of such certificates of deposit, without expense to the Depositors, unless some modification of the Plan and agreement be approved by the Depositors after due notice and an opportunity to withdraw the deposited securities have been given, as herein provided.

**FOURTEENTH.** The Plan and this agreement shall bind and benefit the several parties, including the Depositors hereunder, their and each of their survivors, heirs, executors, administrators, successors and assigns.

**In Witness Whereof,** the Managers, and The Mercantile Trust Company have caused these presents to be duly executed, the day and year first above written, and the parties of the second part have become parties hereto by depositing their securities and accepting certificates of deposit therefor hereunder.











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# Plan of Reorganization

OF THE

## Chicago and Northern Pacific Railroad Company

AND

## Chicago and Calumet Terminal Railway Company.

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MAY 4th, 1897.

---

J. EDWARD SIMMONS,  
HENRY BUDGE,  
R. C. MARTIN,  
SIMON STERNE,  
WILLIAM MERTENS,  
ALFRED S. HEIDELBACH,  
WM. ALLEN BUTLER, JR.,

} Committee.

COUNSEL:

SIMON STERNE,  
WM. ALLEN BUTLER, JR.,  
New York,  
JOHN P. WILSON,  
Chicago.

GEORGE P. BUTLER,  
Secretary,  
54 WALL STREET,  
New York.

DEPOSITARY:

UNITED STATES TRUST COMPANY,  
45 WALL STREET,  
New York.



*To the Holders of United States Trust Company  
Certificates for Chicago and Northern  
Pacific Bonds:*

In accordance with the provisions of the Bondholders' Agreement under which there have been deposited \$28,723,000 out of \$28,855,000 Chicago and Northern Pacific Bonds, the Bondholders' Committee have formulated a plan for the reorganization of the property, and submit the same herewith for your ratification.

The proposed Plan of Reorganization contemplates the formation of a new company, to be called the *Chicago Terminal Transfer Railroad Company*, which shall acquire all the property of the Chicago and Northern Pacific Railroad Company and the Chicago and Calumet Terminal Railway Company, the latter property being a belt line which has always been operated in connection with the Chicago and Northern Pacific terminals.

All the securities of the Chicago and Calumet Terminal Railway Company are held by the Managers of the Northern Pacific Reorganization, who have entered into an agreement with your Committee, subject only to your own ratification, whereby, in connection with full and satisfactory settlement of all claims and accounts between the two companies and their respective receivers, the \$2,500,000 Chicago and Northern Pacific Bonds claimed by your Committee to have been improperly diverted, are to be delivered by the Northern Pacific Reorganization Managers to your Committee, and \$6,000,000 Calumet bonds, and \$5,000,000 Calumet stock (constituting all the



securities of the Calumet Company) are to be handed to your Committee to be delivered to the new company; the Northern Pacific Reorganization Managers receiving securities of the proposed new company equal in amount to those to be delivered under the reorganization in exchange for \$5,000,000 Chicago and Northern Pacific bonds.

The adoption of the accompanying plan of reorganization will depend upon your previous ratification of the settlement above outlined. In the opinion of those most competent to judge, it is considered of great importance that the new company which is to acquire the Chicago and Northern Pacific property should also acquire the property of the Calumet Company, both on account of the large volume of traffic interchanged between the two roads and on account of the strategic position which the Calumet holds as a belt line about the City of Chicago. The Committee ask for your ratification of this settlement, believing it to be for your best interests.

It is nearly four years since this Committee accepted, at your request, the supervision of the affairs of the Chicago and Northern Pacific Company. During that time they have given their best efforts to the settlement of the many problems arising out of the insolvency of the Company. Nearly all the income of the property since the receivership has been absorbed in completing the construction begun and left unfinished by the insolvent company, in acquiring title in fee to property necessary to the right of way, and in completing the purchase of property bought and partly paid for by the old company. With the payment, provided for in the plan, of \$206,500 due July 1st, 1897, in final payment for the Sturgis tract of 380 acres, the Receiver will have discharged the last of such obligations, and the new company will start free from all encumbrances and obligations of the old companies, except the \$650,000 purchase money mortgage upon the Grand Central Passenger Station and the \$394,000 Chicago, Great Western bonds.

### III

The extent of the combined properties to be acquired by the new company can be seen from the statements in the accompanying plan.

It is proposed to place upon this property \$16,500,000 *new First Mortgage 50-year 4 per cent. Gold Bonds*. Of these bonds only \$12,742,000 will be issued on reorganization; \$258,000 will be reserved for the use of the new company, and the rest reserved in the hands of the trustee for the purposes specified in the plan. There will also be issued \$17,000,000 of *Non-Cumulative 4 per cent. Preferred Stock* and \$13,000,000 of *Common Stock*. The securities thus issued will be sufficient to give to the holders of United States Trust Company certificates 40 per cent. in new first mortgage bonds, 50 per cent. in preferred stock and 40 per cent. in common stock, and will provide ample working capital for the new company.

It will be observed from the plan that all the securities placed upon the property, except those reserved for cash requirements, are to go to the holders of Chicago and Northern Pacific bonds, or for the acquisition in the interest of the bondholders of new property required for the completion of the terminals, so that the present bondholders will receive the full benefit of any future increase in value or earnings.

Negotiations are now in progress for the joint operation of other terminal and belt properties in and about Chicago, and it is deemed important that your reorganized company shall be in position to accept any advantageous proposition that may be made to it in this connection. Accordingly, the Plan provides for retaining in trust, for a short period, all the securities of the new company. Your attention, however, is especially called to the fact that *the new securities will be delivered on December 31, 1897, unless otherwise ordered by the owners of 70 per cent. in interest of the new securities*.

The Plan submitted has received the unanimous approval of your Committee, and has already received the assent of holders of a very large amount of United States Trust Com-

pany certificates, and is respectfully submitted by the undersigned Committee in the belief that it secures in the most efficient manner possible the Bondholders' ownership of the property and their interest in its future development.

J. EDWARD SIMMONS,	}	Committee.
HENRY BUDGE,		
R. C. MARTIN,		
SIMON STERNE,		
WM. MERTENS,		
ALFRED S. HEIDELBACH,		
WM. ALLEN BUTLER, JR.,		

New York, May 4th, 1897.



# Chicago and Northern Pacific Railroad Company

AND THE

# Chicago and Calumet Terminal Railway Company.

## CAPITALIZATION OF OLD COMPANIES.

### Chicago and Northern Pacific Railroad Company.

#### Funded Debt.

	<i>Due.</i>	<i>Rate.</i>	<i>Amount outstanding.</i>
Purchase Money Mortgage on Grand Central Passenger Station.....	May 1, 1938	5%	\$650,000 00
Chicago & Great Western. First Mortgage Bonds.....	June 1, 1936	5%	394,000 00
Total underlying mortgages. . . . .			\$1,044,000 00
Chicago & Northern Pacific. First Mortgage Bonds (authorized issue \$30,000,000)... ..	April 1, 1940	5%	28,855,000 00
			\$29,899,000 00

#### Capital Stock.

Amount outstanding.....	\$30,000,000 00
Total Capitalization Chicago & Northern Pacific Railroad Company .....	\$59,899,000 00

## Chicago and Calumet Terminal Railway Company.

### Funded Debt.

	<i>Due.</i>	<i>Rate.</i>	<i>Amount outstanding.</i>
First Mortgage Bonds.....	May 1, 1943.	5%	\$6,000,000 00

### Capital Stock.

Amount outstanding.....	\$5,000,000 00
Total Capitalization Chicago & Calumet Terminal Rail- way Company.....	<u>\$11,000,000 00</u>
Total Capitalization Chicago & Northern Pacific Rail- road Company and Chicago & Calumet Terminal Railway Company.....	<u>\$70,899,000 00</u>

### Fixed Charges of Old Companies.

#### Chicago and Northern Pacific.

Purchase Money Mortgage Grand Central Passenger Station \$650,000 at 5%.....	\$32,500 00
Chicago & Great Western First Mortgage Bonds. \$394,000 at 5%.....	19,700 00
Interest on underlying mortgages .....	<u>\$52,200 00</u>
Interest Chicago and Northern Pacific First Mortgage Bonds. \$28,855,000 at 5%.....	1,442,750 00
Total annual Fixed Charges Chicago & Northern Pacific Railroad Company.....	<u>\$1,494,950 00</u>

#### Chicago and Calumet Terminal.

First Mortgage Bonds \$6,000,000 at 5%..	<u>\$300,000 00</u>
Total present annual fixed charges Chicago & Northern Pacific Railroad Company and Chicago & Calumet Terminal Railway Company.....	<u>\$1,794,950 00</u>

**Mileage.****Chicago and Northern Pacific.**

	miles.
Total main line mileage, double track.....	25.07
Total main line mileage, single track.....	17.51
Grand total main line mileage.....	42.58
Tracks leading to industries outside of right of way.....	2.26
Side tracks and yard tracks.....	52.92
Grand total mileage, including spur tracks, side tracks, etc.....	97.76 miles
(of which 25.07 miles is double track).	

**Calumet.**

Total main line, single track.....	33.41
Total main line, double track.....	.99
Grand total, main line.....	34.40 miles
Branches and spurs.....	11.05
Yard track and sidings.....	12.16
Total miles owned.....	57.61 miles
Miles operated under trackage rights.....	12.67
Total miles operated.....	70.28 miles
Total Chicago and Northern Pacific and Chicago and Calumet Terminal Mileage.....	168.04

**Property.**

Nearly all the right of way on which these tracks are laid is *owned in fee*.

Included in and forming part of its right of way, the Chicago and Northern Pacific Company owns in the immediate vicinity of the Grand Central Passenger Station  $49\frac{24}{100}$  acres. This plot is divided by the Chicago River and has a total dock frontage of 3,500 feet. The Chicago and Northern Pacific Company owns in other parts of the City of Chicago  $30\frac{66}{100}$  acres utilized for railroad purposes, and  $469\frac{7}{100}$  acres available for railroad and other purposes; also a valuable dock property in the lumber district of Chicago, and  $200\frac{5}{10}$  acres of unimproved property just beyond the city boundary.

[For particulars regarding this real estate see appendix.]



## PLAN OF REORGANIZATION.

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The New Company will be called  
**CHICAGO TERMINAL TRANSFER RAILROAD  
COMPANY.**

### **Capitalization of New Company.**

1. **First Mortgage 50-Year 4% Gold Bonds.**  
Amount to be Limited to \$16,500,000. Interest  
to run from July 1, 1897. First semi-annual  
coupon due January 1, 1898.

These bonds will be secured by a first mortgage on all property of the Chicago and Northern Pacific Railroad Company including the Grand Central Passenger Station in Chicago and on all the property of the Chicago and Calumet Terminal Railway Company, junior only to the \$650,000 purchase money mortgage on the Passenger Station and the \$394,000 Chicago and Great Western bonds.

Nearly all the property to be acquired by the new Company will be *owned in fee*.

**\$12,742,000 only of the new bonds will be issued on reorganization.**

\$258,000 of the new bonds will be reserved for uses of the new Company.

\$1,305,000 of the new bonds will be placed in the hands of the trustee of the mortgage for retirement of \$1,044,000 above described underlying mortgages.

\$2,195,000 of the new bonds are to be so reserved that they can be issued for future requirements, under carefully guarded provisions in the mortgage.

**2. Non-cumulative 4% Preferred Stock,  
\$17,000,000.**

Which will entitle the holders to non-cumulative dividends up to *four per cent.* per annum, payable out of net earnings before any dividends shall be paid on the Common Stock.

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**4. Common Stock, \$13,000,000.**

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Provision is to be made that no additional mortgage shall be put upon the property of the New Company, nor the amount of the Preferred Stock authorized under this Plan be increased, except with the consent, in each instance, of the holders of two-thirds of the whole amount of Preferred Stock, given in writing or at a meeting of the stockholders called for that purpose, and with the consent given in writing of the holders of two-thirds of the Common Stock or given at a meeting, by two-thirds of such part of the Common Stock as shall be represented at such meeting. The holders of each class of stock shall vote separately.

The New Company may reserve the right to redeem at any time its Preferred Stock at par in cash.

The Preferred Stock shall be preferred, both as to dividends and in liquidation.

### Distribution of New Securities.

#### 1. First Mortgage 50 Year 4% Gold Bonds.

To holders of U. S. Trust Co. Certificates for Chicago and Northern Pacific First Mortgage Bonds, \$28,855,000 less \$2,500,000 bonds returned under settlement between the Reorganization Managers of the Northern Pacific and the Chicago and Northern Pacific Bondholders' Committee, \$26,355,000-----			40%	\$10,542,000
For acquisition of \$6,000,000 Chicago and Calumet Terminal Railway Company bonds, and \$5,000,000 Chicago and Calumet Terminal Railway Company stock, the equivalent of \$5,000,000 Chicago and Northern Pacific Trust Receipts (under settlement between the Reorganization Managers of the Northern Pacific and the Chicago and Northern Pacific Bondholders' Committee) \$5,000,000 -----			40%	2,000,000
For cash requirements-----				200,000
<b>Total to be issued on reorganization</b>				<b>\$12,742,000</b>
Reserve for uses of the new company -----				258,000
Reserve to extent necessary for retiring \$1,044,000				
5 % underlying mortgages -----				1,305,000
Balance for future requirements under strictly guarded provisions in mortgage-----				2,195,000
				<hr/>
				<b>\$16,500,000</b>
				<hr/>



## 2. Non-cumulative 4% Preferred Stock.

To holders of U. S. Trust Co. Certificates for Chicago and Northern Pacific First Mortgage Bonds, \$26,355,000-----		50%	\$13,177,500
For delivery with First Mortgage Bonds as above for acquisition of Calumet securities-----			2,500,000
For cash and other requirements-----			972,500
Reserve for uses of the new company-----			350,000
			<u>\$17,000,000</u>

## 3. Common Stock.

To holders of U. S. Trust Co. Certificates for Chicago and Northern Pacific First Mortgage Bonds, \$26,355,000-----		40%	\$10,542,000
For delivery with First Mortgage Bonds as above for acquisition of Calumet securities--			2,000,000
For cash and other requirements-----			458,000
			<u>\$13,000,000</u>

### SUMMARY.

Under this plan every holder of \$1,000 of United States Trust Co. certificates for Chicago and Northern Pacific Bonds will receive for principal and overdue interest

\$400 in New First Mortgage 50 Year 4% Gold Bonds.

\$500 in Non-cumulative 4% Preferred Stock.

\$400 in Common Stock.

In order that the parties hereto may secure the benefits of any arrangement for the future joint operation of railway properties in and about Chicago, all securities deliverable under this plan and constituting the purchase price of the properties to be conveyed by the Committee to the new company and also the purchase price of the Calumet property will remain in the custody of the Committee who shall deposit the same with the United States Trust Company for the uses and purposes which shall be specified in a trust agreement to be executed by and between the Committee, the new company and the United States Trust Company, as depositary, and which shall provide that the United States Trust Company shall, upon surrender of each of its certificates now outstanding, deliver in lieu thereof a **proprietary certificate** for the amount of bonds and stock of the new company specified in the above summary, and for equal amounts of securities of the new company issued to others than holders of United States Trust Company certificates now outstanding the United States Trust Company shall deliver additional similar proprietary certificates, to wit, 5,000 proprietary certificates, on surrender of all the Calumet securities, and 910 proprietary certificates, on surrender of the securities reserved for cash requirements, as stated on page 10 hereof. The trust agreement shall also provide that the securities of the

new company deposited thereunder shall be deliverable to the owners of the proprietary certificates on December 31st, 1897, or as soon thereafter as practicable, unless otherwise ordered, in accordance with the provisions of the Trust Agreement, which shall, among other things, provide :

I. That, upon written authority of seventy per cent. in interest of the owners of all said proprietary certificates, the Trust Company shall exchange all the bonds and stock of the new company held for the owners of such proprietary certificates for such other securities as shall be specified in kind and amount in the written authority above mentioned, and upon receipt of such specified securities the Trust Company shall divide the same *pro rata* among the owners of the proprietary certificates.

II. That the assent to such exchange by seventy per cent. in interest of the owners of the proprietary certificates shall bind every certificate holder to the same extent and purpose as though he had himself assented in writing to such exchange.

III. That no right to exchange the securities of the new company for other securities under the authority provided in the said Trust Agreement shall exist after December 31st, 1897, unless prior to that date either a contract authorized by seventy per cent. in interest of the owners of proprietary certificates, shall have been entered into by the United States Trust Company for such exchange or unless an extension (which shall not be beyond six months) for the making of such contract shall have been assented to by such seventy per cent.

The Chicago and Northern Pacific Bondholders' Committee shall have power to make any alteration in the details of this Plan necessary to carry out the general features embodied therein.



**Fixed Charges After Reorganization.**

Interest on underlying mortgages.....	\$52,200
Interest on \$12,742,000 First Mortgage Bonds, at 4%.....	509,680
Total fixed charges.....	<u>\$561,880</u>

The net earnings (after deducting taxes) of the combined properties applicable to the interest charges of the new company are estimated for the year commencing July 1, 1897, at over..... \$620,000

The total fixed charges of the old companies amounted to..... \$1,794,950

(For itemized statement see p. 2).

**Cash Requirements.**

Balance due on Sturgis tract.....	\$206,500
Requirement for second track on Calumet Road, as per contract with Hammond Co.....	120,000
For expenses of Reorganization, including settlement of claims, incorporation of New Company, issue of new securities, counsel fees and disbursements of the Committee.....	287,000
	<u>\$613,500</u>

The above cash requirements will be provided for by the income of the property until July 1, 1897, and by the sale of \$910,000 Proprietary Certificates representing the following securities :

\$280,000 C. & N. P. Certificates received by Committee from Northern Pacific Railway Co. in settlement of claims against Receivers of Northern Pacific R. R. Co.  
 \$130,000 non-assenting Chicago and Northern Pacific Bonds.  
 \$200,000 New First Mortgage Bonds.  
 \$250,000 New Preferred Stock.  
 \$200,000 New Common Stock.

It is estimated that upon completion of the reorganization the new company will have in its treasury the following assets :

\$258,000 New First Mortgage Bonds.  
 \$350,000 New Preferred Stock, and about  
 \$100,000 Cash, with additional quick net assets approximately valued at \$175,000.

## APPENDIX.

### A.

#### List of the Property of the Chicago and Northern Pacific Railroad Company.

The Chicago and Northern Pacific Railroad consists of the following lines :

##### MAIN LINE :

From Harrison street to the centre line of Madison street in the Town of Proviso, double track..... 10.89 miles

##### CHICAGO, HARLEM AND BATAVIA DIVISION :

From junction with main line at West Fortieth street to Randolph street, single track..... 1.02 miles

From Randolph street to Conway Park, double track..... 4.77 miles

From Conway Park to cemetery, single track..... .98 miles

From Conway Park to Viaduct Junction, single track..... .32 miles

##### CHICAGO AND SOUTHWESTERN DIVISION :

From junction with main line at West Forty-sixth street to Grant Works station, double track.... 1.60 miles

From Grant Works station to junction with main line of the Chicago and Northern Pacific at South Oak Park, single track..... 3.76 miles

##### CHICAGO CENTRAL DIVISION :

From connection with main line of the Chicago and Northern Pacific at Western avenue to Seventy-fifth street, double track..... 7.81 miles

From Seventy-fifth street to Blue Island, single track ..... 7.56 miles

From connection with the Chicago and Calumet	
Terminal at Blue Island to Harvey, single track.....	3.87 miles
Total main line mileage, double track.....	25.07 miles
Total main line mileage, single track.....	17.51 miles
Grand total main line mileage.....	42.58 miles
Tracks leading to industries outside of right of	
way.....	2.26 miles
Side tracks and yard tracks.....	52.92 miles
Grand total mileage, including spur tracks, side	
tracks, etc.....	97.76 miles
(of which 25.07 miles is double track.)	

The Chicago and Northern Pacific owns the entire right of way on which these tracks are laid, with the exception of the tracks in streets through various municipalities on the different divisions. Wherever tracks are constructed in a street the right to construct, maintain and operate such tracks has been derived by ordinance from the municipality in which the tracks are situated.

Included in and forming a part of the railroad right of way is the following property used for yard, warehouse and other purposes:

Between Harrison street and the Chicago River, there are 15.75 acres, on which are situated the Grand Central Passenger Station, the freight houses used by the Baltimore and Ohio, the Wisconsin Central, and the Chicago Great Western, the express offices occupied by the United States Express Co. and the National Express Co., and the contiguous tracks leading thereto. This property has a dock frontage of 1,950 feet.

On the west side of the Chicago River and north of Twelfth street is what is known as the Empire Slip Coach Yard, which comprises 9.1 acres. Located on this property is the Empire Slip engine house, fuel sheds, etc., together with coach tracks for storing and repairing passenger cars used by the Wisconsin



Central, the Chicago Great Western, the Baltimore and Ohio, and the Chicago and Northern Pacific. This property has a dock frontage on the Chicago River of 450 feet.

West of Chicago River, south of Twelfth street and east of Stewart avenue, is what is known as the Twelfth Street Yard. This tract of land comprises 24.39 acres, and has a dock frontage on the Chicago River of 1,100 feet. This parcel of land is partially utilized for team-track and freight-yard purposes by the Wisconsin Central, the Baltimore and Ohio, the Chicago Great Western, and the Chicago and Northern Pacific.

Between Morgan street and Centre avenue is a strip of ground, known as the Morgan Street Yard, comprising 4.3 acres, on which are situated side track and team tracks used by the Chicago and Northern Pacific.

Between Wood street and Robey street is a piece of land, known as the Robey Street Yard, comprising 12 acres, on which are located the Robey Street Round House, coal shed, &c., and side tracks used by the Baltimore and Ohio and the Chicago and Northern Pacific for yard purposes.

Between California avenue and Central Park avenue is a strip of ground, comprising 14.36 acres, upon which are located freight side tracks and team tracks used by the Chicago and Northern Pacific.

In addition to the property above described, used for strictly railroad and right of way purpose, the Chicago and Northern Pacific R. R. Co. owns certain tracts of land, not at present utilized for railroad purposes.

Between Forty-sixth street and Forty-eighth street, lying south of the main line and west of the Chicago and Southwestern line, is a parcel of land comprising 27.6 acres. This land lies immediately adjacent to the main line and the Chicago and Southwestern Division, and can be utilized advantageously for freight-yard purposes.

Between the main line of the Chicago and Northern Pacific

at South Oak Park and Sixteenth street, on the east side of Harlem avenue and adjacent to the line of the Chicago and Southwestern, is a strip of ground comprising 61.47 acres.

On the south side of Sixteenth street is a parcel of land, known as the Sturgis Tract, comprising 380 acres. The Chicago and Southwestern Division passes through the entire length of this property.

Between Ninety-ninth street and One Hundred and Third street, and on each side of the Chicago Central Division, is a tract of land known as the Morris Farm, comprising 200.5 acres.

Between Twenty-second street and the river is a parcel of land, having a frontage of 1,540 feet on Laffin street and 2,358 feet on Ashland avenue. Most of the lots in this tract of land abut upon both a street and the Canal.

Immediately west of Ashland avenue and north of Twenty-second street is a piece of land about 125 feet square. Extending north from this piece of land a distance of about a block and a half is a strip of land from 25 to 50 feet in width. These tracts were formerly a part of a railroad right of way, but at the present time are vacant.

About a block north of the last-mentioned tract is a single lot, upon which is situated a brick building, fronting north on Nineteenth street.

These various pieces of property comprise all of the property of the Bridgeport and South Chicago Railroad Company. The property was acquired when it was intended to construct the Bridgeport and South Chicago Railroad from the main line of the Chicago and Northern Pacific Railroad, near Ashland avenue, south through the dock property to the southern limits of the city and beyond.

This Bridgeport and South Chicago property is situated some distance south of the main line of the Chicago and Northern Pacific, and is not at present connected with the Chicago and Northern Pacific by railroad tracks owned by the Chicago and Northern Pacific.

**Equipment.**

Locomotives—	
Passenger.....	9
Switch .....	12
Dummies (not in service) .....	3
	<hr/> 24
Passenger Cars—	
Coaches, first class.....	52
"    second class .....	15
"    Combination .....	13
"    Funeral .....	1
	<hr/> 81
World's Fair Cars .....	35
C. H. & B. Coaches (small, not in service) .....	5

**B.****List of Property of the Chicago and Calumet Terminal Railway Company.****MILEAGE.**

Miles of single track owned.....	33.41
Miles of 2d track owned.....	.99
Miles of branches and spurs.....	11.05
Miles of yard track and sidings owned.....	12.16
	<hr/>
Total miles owned.....	57.61
Miles operated under trackage rights.....	12.67
	<hr/>
Total miles operated.....	70.28

**Equipment.**

Locomotives.....	20
Cars :	
Flat.....	8
Gondola .....	220
Caboose.....	2
Derrick .....	1
Steam shovel .....	1
	<hr/>
	232









INFORMATION  
FOR THE  
HOLDERS OF THE BONDS AND STOCKS  
OF THE  
CHICAGO TERMINAL  
TRANSFER RAILROAD COMPANY.

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NEW YORK,  
DECEMBER 31, 1897.







# Chicago Terminal Transfer Railroad Company,

NEW YORK OFFICE, NO. 35 WALL STREET.

December 31, 1897.

*To the Holders of the Proprietary Certificates of the  
Chicago Terminal Transfer Railroad Company :*

The United States Trust Company, No. 45 Wall Street, will, on and after this date, deliver, upon surrender of the Proprietary Certificates, at the rate of one hundred schedules per day, the securities called for in such Proprietary Certificates, to wit :

For each \$1,000 Proprietary Certificate

\$400 in First Mortgage Bonds  
500 in Preferred Stock,  
400 in Common Stock.

The issuance of Proprietary Certificates has been discontinued.

Six months' interest on the First Mortgage Bonds, from July 1, 1897, will be payable at the Mercantile Trust Company, No. 120 Broadway, on presentation of the coupons due January 1, 1898.

The Capital Stock is transferable at the New York office, No. 35 Wall Street, Mills Building, and at the office of the Company in the city of Chicago.

The accompanying official statement is made in response to numerous inquiries from holders of the securities of this Company.

EDWARD D. ADAMS,

*Chairman of Executive Committee.*

GEO. P. BUTLER,

*Secretary.*



# Chicago Terminal Transfer Railroad Company.

NEW YORK, December 31, 1897.

## ORGANIZATION.

The Chicago Terminal Transfer Railroad Company is organized under the laws of the State of Illinois.

The general offices of the Company are in its Grand Central Passenger Station, corner of Fifth Avenue and Harrison Street, Chicago, Ill. The New York offices are at 35 Wall Street, in the Mills Building.

The general officers of the Company are:

### CHICAGO.

<i>President,</i>	-	-	-	-	-	S. R. AINSLIE.
<i>Treasurer and Assistant Secretary,</i>	-					HENRY S. HAWLEY.
<i>Auditor,</i>	-	-	-	-	-	EDWARD SHEARSON.

### NEW YORK.

<i>Vice-President,</i>	,	-	-	-	-	F. T. GATES.
<i>Secretary and Assistant Treasurer,</i>	-					GEORGE P. BUTLER.
<i>Comptroller,</i>	-	-	-	-	-	J. H. McCLEMENT.

### *Executive Committee.*

EDWARD D. ADAMS, *Chairman.*

F. T. GATES,	A. S. HEIDELBACH,
HENRY BUDGE,	COLGATE HOYT.

### *Trustees of Mortgage.*

UNITED STATES TRUST COMPANY OF NEW YORK,  
JOHN A. STEWART.

### *Registrar of Transfers.*

THE MERCANTILE TRUST COMPANY.

## PROPERTY.

The Chicago Terminal Transfer Railroad Company acquired through sale under foreclosure all the property formerly owned by the Chicago & Northern Pacific Railroad Company, and also acquired the Chicago & Calumet Terminal Railway Company, and entered upon possession and operation of these properties on July 1, 1897.

The property thus acquired consists of passenger and freight terminals in the business center of the city of Chicago, lines of railway leading thereto and a belt line immediately outside the present municipal limits. This estate includes over 760 acres of real estate in and adjacent to the city of Chicago (of which more than 50 acres are in the center of the business portion of the city), about 7,500 feet of frontage on the Chicago River and 193.46 miles of track.

*All this real estate, as well as most of that upon which the lines of railway have been built, is owned in fee.*

The Grand Central Passenger Station at Harrison Street and Fifth Avenue is the most commodious and best appointed of all the stations in the city of Chicago.

The freight yards and team tracks are most conveniently situated for the larger shippers of that city.

All other joint terminals in the city of Chicago appear to be crowded to their utmost capacity, and the terminal properties owned by the various trunk lines do not offer to other lines the advantage to be found in independent terminals.

This Company has ample room in its terminal properties for the accommodation of new tenants, and offers by far the best facilities for roads seeking an entrance into the city of Chicago, or for handling the increased business of those trunk lines whose terminal facilities may become inadequate for their future volume of business.

A second track has been added to the belt line, from Blue Island to McCook, a distance of about fourteen miles, the joint use of this portion of the road having been leased to the Chicago, Hammond & Western Railroad Company, now acquired in the interest of the Union Stock Yard and Transit Company of Chicago. In accordance with this contract of lease, the Hammond Company is constructing a line from McCook to Franklin Park, the unrestricted use of which, without further outlay by this Company, is secured on the basis of usage on favorable terms to the Chicago Terminal Transfer Railroad Company for a period of ninety-nine years. Through this construction the belt line of the Calumet Division will make a practical circuit of the city, thus enabling this Company to offer the most available transfer line for all the trunk roads entering the city of Chicago.

The rolling stock consists of 44 locomotives, 121 passenger cars and 232 freight cars.



## CAPITALIZATION.

The capital of the Company is represented by—

Common Stock.....	\$13,000,000	
Preferred Stock.....	17,000,000	
		<hr/>
Total stock (68 % of total capital) ..		\$30,000,000
First Mortgage Bonds.....	\$13,000,000	
Assumed obligations.....	1,044,000	
		<hr/>
Total debt (32 % of total capital) ..		14,044,000
		<hr/>
Total capitalization .....		\$44,044,000

The fixed interest charges amount to \$561,880 per annum.

*The property of this Company was formerly capitalized at \$70,899,000, with \$1,794,950 of annual interest charges.*

## CAPITAL STOCK.

The Preferred and Common Stocks are divided into shares of \$100 each, registered as to owner and transferable at the office of the Company in the city of New York or Chicago. All certificates must be signed by the President or a Vice-President and the Secretary or Assistant Secretary, and are not valid unless countersigned by the Mercantile Trust Company of New York as Registrar of Transfers.

## THE PREFERRED STOCK

is entitled to preference to the Common Stock in liquidation and to non-cumulative dividends, at the rate of four per cent. per annum, before any dividends are paid on the Common Stock and further, after four per cent. per annum has been paid on the Common Stock in any one year, to share pro rata with the Common Stock in any additional distribution of earnings for that year.

Total amount authorized and issued.....	\$17,000,000	
In Treasury of Company.....	351,000	
		<hr/>
Held by the public.....		\$16,649,000

## THE COMMON STOCK

authorized and issued amounts to.....	\$13,000,000	
In Treasury of Company .....	10,800	
		<hr/>
Held by the public.....		12,989,200
		<hr/>
Total Capital Stock held by the public.....		\$29,638,200

Both the Preferred and Common Stocks are quoted on the regular list of the New York Stock Exchange.

## FIRST MORTGAGE FIFTY YEAR FOUR PER CENT GOLD BONDS.

The Chicago Terminal Transfer Railroad Company has executed, under date of June 11, 1897, a single mortgage to the United States Trust Company and John A. Stewart, of New York, as Trustees, covering its entire real estate, equipment and other property now owned and also all other property which may be subsequently acquired by the use of any of the bonds to be issued under this mortgage.

The bonds are dated June 11, 1897. Principal due July 1, 1947, bearing interest at the rate of four per centum per annum, payable semi-annually on the first days of January and July.

Both principal and interest are payable at the office or agency of the Railroad Company in the city of New York, in gold coin of the United States of the present standard of weight and fineness, without deduction for any tax or taxes which the Railroad Company may be required to pay or retain therefrom under any present or future law of the United States, or of any State or Territory thereof, the Railroad Company agreeing to pay such tax or taxes.

The bonds are issued only in the denomination of \$1,000, with the privilege of registration of principal only or of both principal and interest by the surrender and cancellation of all unpaid coupons.

The total issue of bonds under this mortgage is limited to \$16,500,000.

The following amounts of bonds are reserved by the Trustees, under the terms of the mortgage, to—

Provide for the retirement of \$1,044,000 of assumed obligations. . . . .	\$1,305,000
Protect and develop the property under restrictions as set forth in the mortgage . . . . .	2,195,000
	<hr/>
Total amount reserved. . . . .	\$3,500,000

There were \$13,000,000 issued in part payment for the property acquired, which bonds are now held as follows:

By the public . . . . .	\$12,741,200	
In the Treasury of the Company. . . . .	258,800	
	<hr/>	13,000,000
		<hr/>
Total authorized issue. . . . .		\$16,500,000

The above-described bonds are now regularly listed at the New York Stock Exchange.

# CERTIFICATES OF LEGALITY.

The following opinions, certifying to the legality of the incorporation of the Chicago Terminal Transfer Railroad Company and to the regularity and validity of its mortgage and of the bonds secured thereby, have been filed with the Company and the Trustees of the mortgage.

NEW YORK, December 31, 1897.

As counsel to the Chicago & Northern Pacific Bondholders' Committee, we attended to the incorporation of the Chicago Terminal Transfer Railroad Company, and hereby certify that the incorporation of said Company was in all respects in conformity with the laws of the State of Illinois.

JOHN P. WILSON,  
*Chicago.*

SIMON STERNE,  
WM. ALLEN BUTTLER, JR.,  
*New York.*

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NEW YORK, December 31, 1897.

We have examined the property of the Chicago Terminal Transfer Railroad Company and have drawn the mortgage to the United States Trust Company and John A. Stewart, and hereby certify that the mortgage has been duly authorized by the corporation; that it has deeds and leases of the property which it purports to convey by said mortgage, and that the mortgage in all respects conforms to law and that the mortgage pledges for the security of the bonds issued thereunder the property mentioned in such deeds and leases.

SIMON STERNE,  
WM. ALLEN BUTLER, JR.,

*Attorneys and Counsel in the Reorganization of the  
Chicago & Northern Pacific Railroad Com-  
pany and Attorneys and Counsel for this  
purpose to the Chicago Terminal Transfer  
Railroad Company.*

## EARNINGS.

The *Gross Earnings* by months since July 1, 1897, when the Company entered into possession of its property, are as follows:

July .....	\$84,967 65
August.....	89,804 36
September .....	91,485 56
October .....	97,026 88
November .....	93,527 19
December (estimated).....	96,400 00

---

Total (partly estimated) for six months ending December 31, 1897.. \$553,211 64

The *Net Results* for five months are as follows:

Gross earnings for five months to November 30, 1897.....	\$456,811 64
Operating expenses for same period.....	147,934 02

---

Net earnings .....	\$308,877 62
Accrued fixed charges, including taxes .....	267,198 39

---

Surplus net revenue for five months..... \$41,679 23

Of the gross earnings for five months, \$269,000 were rental payments, against which there are practically no operating expenses to be charged.

The *net earnings*, applicable to interest charges, from the present tenants and from the switching business as at present conducted, are now estimated for the year commencing July 1, 1897, at about \$660,000.

It should, however, be borne in mind that the terminal property of this Company is ample for the accommodation of several additional tenants, including another trunk line, and that the extension of the Belt Line to Franklin Park, with other new business recently assured, should materially increase the earnings of this Company.

In most terminal companies the tenants, as owners of the Capital Stock, operate the property so as to earn only the interest charges on the bonds held by the public and guaranteed by the tenants. Attention is called to the fact that none of the stock of this Company is held by its tenants, practically all of the stock being held by individuals, so that the property is operated entirely in the interest of the security holders and with a view to obtaining the largest possible revenue.



## FINANCIAL CONDITION.

By reference to the following balance sheet it will be seen that this Company was in possession, November 30, 1897, of—

Cash and Cash Assets amounting to..... \$646,331 38  
Quick Assets, consisting of—

Bonds and Stocks, carried at.....	\$261,400 00	
Materials on hand .....	43,666 64	
	<hr/>	305,066 64

Total Current Assets.....		<hr/> \$951,398 02
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The floating indebtedness to be provided for comprised

Current Liabilities,

including interest and taxes, both due and accrued.....	\$397,725 25
--	--------------

Contingent Liabilities,

subject to which the Estate was purchased, and to provide for which, when adjusted, a liberal provision was made by a "liquidation account" to the amount of.....	204,588 56
--	------------

Total Current and Contingent Liabilities ..		<hr/> 602,313 81
---	--	------------------

Surplus of Current Assets over all current liabilities, matured, accrued and contingent.....		<hr/> \$349,084 21
---	--	--------------------

This surplus, constituting the working capital of the Company, will be increased approximately \$10,000 by unadjusted rentals due by tenants, both prior and subsequent to July 1, 1897.

## TREASURY SECURITIES.

The following described bonds and stocks are available for any corporate purposes and are included in the quick assets at \$46,870, less than the prices at which they can now be valued.

<i>Description.</i>	<i>Par Value.</i>	<i>Approximate Market Value, December 31, 1897.</i>		<i>Book Value.</i>	
		<i>%</i>		<i>%</i>	
First Mortgage Bonds.	\$258,800	85	\$219,980	73.9	\$191,199
Preferred Stock.....	351,000	25	87,750	20	70,200
Common Stock .....	10,800	5	540	..	1
Total.....	\$620,600		\$308,270		\$261,400

## FIXED CHARGES.

The fixed interest charges amount to \$561,880 per annum and are payable as follows:

<i>Title of Debt.</i>	<i>Amount held by the Public.</i>	<i>Principal Due.</i>	<i>Interest.</i>		
			<i>Rate.</i>	<i>Due.</i>	<i>Amount.</i>
First Mortgage Gold Bonds— Outstanding.....\$13,000,000 Treasury asset..... 258,000	\$12,742,000	July 1, 1947	4%	Jan. 1, July 1	\$509,680
Obligations of predecessor companies assumed by the Chicago Terminal Transfer Railroad Company— Purchase-money Mortgage given in the purchase of the land in Chicago on which the Grand Central Passenger Station was subsequently erected.....	650,000	May 1, 1938	5%	May 1, Nov. 1	32,500
Remainder of Bond issue on Chicago & Great Western Division .....	394,000	June 1, 1936	5%	June 1, Dec. 1	19,700
Total principal.....	\$13,786,000	Annual interest.....			\$561,880

CHICAGO TERMINAL TRANSFER RAILROAD COMPANY.

BALANCE SHEET, NOVEMBER 30, 1897.

<b>CAPITAL ASSETS.</b>  <b>PROPERTY AND FRANCHISES:</b> Estates of Chicago & Northern Pacific and Chicago & Calu- met Terminal Railway Companies and their several con- stituent companies .....		\$43,736,595 02
<b>CAPITAL LIABILITIES.</b>  <b>CAPITAL STOCK:</b> Common..... Preferred.....		\$13,000,000 00 17,000,000 00 \$30,000,000 00
<b>FUNDED DEBT:</b> First Mortgage Bonds..... Chicago & Great Western Bonds..... City of Chicago School-board Mortgage...		\$13,000,000 00 394,000 00 650,000 00 14,044,000 00
<b>Total Capital Assets</b>		<b>\$43,736,595 02</b>
<b>CURRENT ASSETS.</b>  <b>CASH AND ACCOUNTS RECEIVABLE:</b> Cash in banks..... Accounts Receivable..... Agents and Conductors.....		
\$325,957 99 283,689 11 36,684 28		\$646,331 38
<b>STOCKS AND BONDS.....</b>		
(Market value, Dec. 22, \$308,270).		261,400 00
<b>MATERIALS ON HAND.....</b>		
43,666 64		43,666 64
<b>Total Current Assets</b>		<b>951,398 02</b>
<b>Total</b>		
<b>\$44,687,993 04</b>		<b>\$44,687,993 04</b>

J. H. McCLEMENT, *Comptroller.*

NEW YORK, December 31, 1897.

## BUSINESS CONDITIONS.

The business of this Company is two-fold.

First. As a TERMINAL COMPANY it leases its freight and passenger facilities and its lands, tracks and buildings for separate and joint occupancy, or for independent improvement, if desired, upon the uniform basis, whereby each tenant pays—

1. A fixed annual rental.
2. All taxes and cost of maintenance of property used by it exclusively.
3. Its wheelage proportion of all expenses for the maintenance of property used jointly.
4. Its wheelage proportion of taxes on all property used jointly.
5. Its wheelage proportion of interest on the cost of all construction or alteration in the present facilities necessitated by legislative or municipal action.

The principal tenants now leasing and using terminal facilities upon the above terms are the railway systems known as the

Baltimore & Ohio,  
Wisconsin Central,  
Chicago Great Western,  
Chicago Suburban.

Second. As a TRANSFER COMPANY it employs its own motive power:

1. In conducting a regular transportation business in that extended and populous territory constituting the city and suburbs of Chicago, for which it uses its own rolling stock and occupies its own passenger and freight facilities.
2. In transferring and switching freight cars between railway systems and manufacturing and business districts by means of the belt lines and connecting tracks constituting its system of terminal and transfer railroads.

The improvement in general business conditions is reflected in the gradual and continued increase of the gross earnings of this Company since it took possession of its property, July 1, 1897.

The increase of business by the tenants decreases the charges of this Company for maintenance and taxes.

Several applications are now pending for the lease of important portions of the terminal facilities now available for additional railway and other tenants.

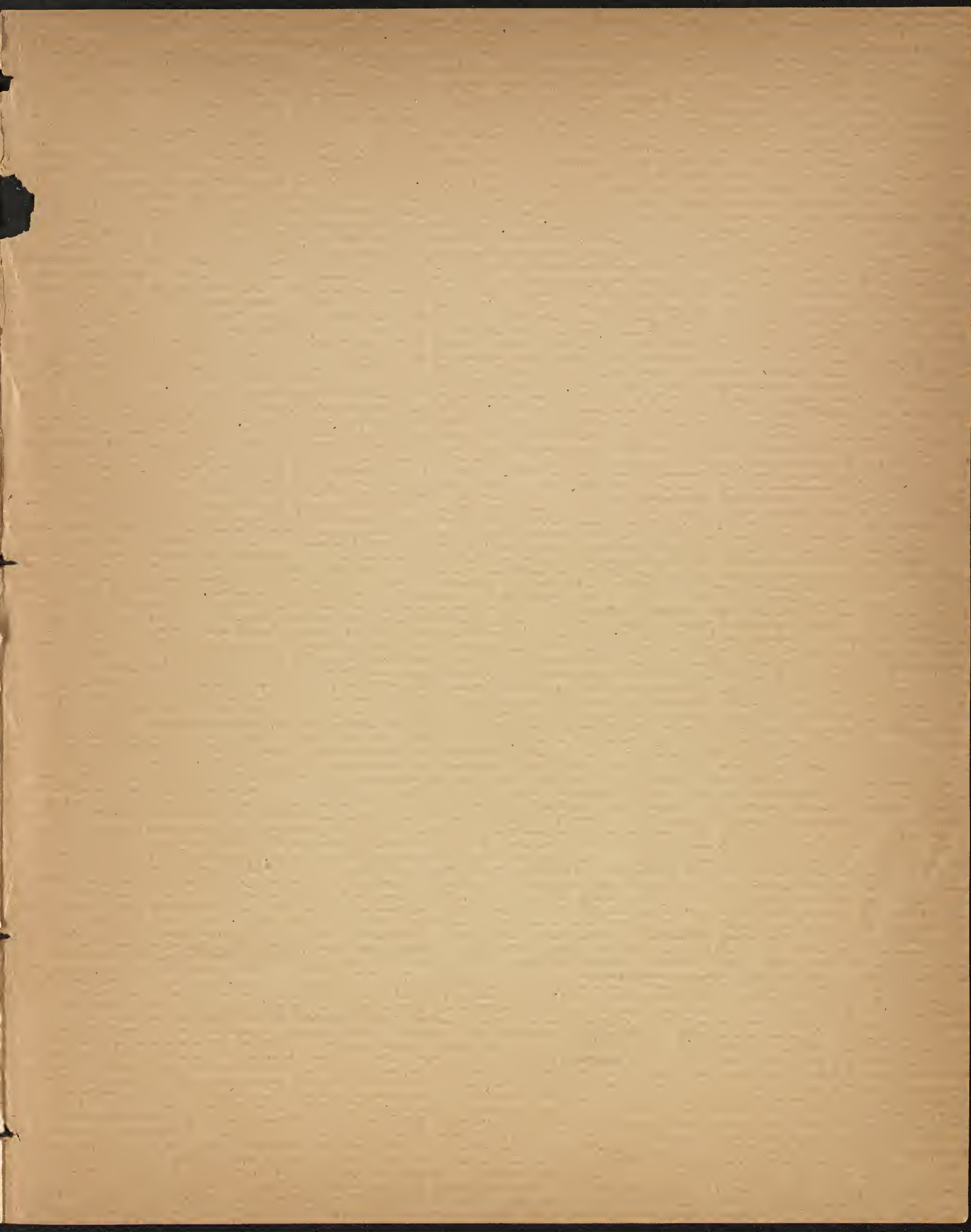
The physical condition of the property has been maintained at a standard insuring economical operation.

The condition and business prospects of this Company justify confidence in its satisfactory development.

EDWARD D. ADAMS,  
*Chairman of Executive Committee.*

GEORGE P. BUTLER,  
*Secretary.*







# Detroit, Lansing and Northern Railroad Company,

## TREASURER'S OFFICE.

*To the Security Holders:—*

The reorganization plan of March 6, 1894, did not receive the assent of enough security holders to assure its success.

Objections were made by some of the large holders that the new securities provided by the plan were not fairly distributed, having in view the relative earning capacity of the different divisions, the relative value of their terminals and other considerations.

It was also urged that the plan called for an excessive fixed annual interest payment on the first mortgage bonds and that it would be better to have a smaller mortgage debt the interest upon which would be sure to be paid in poor times and would leave a margin in good times for the lower securities, thus enhancing the market value of all the securities.

Recognizing the force of these objections and the great importance of keeping the system together, — for dismemberment means disaster to every portion, — a more conservative scheme has been prepared after full consideration by the larger holders of the several securities, which meets their approval and is now submitted to you.

It is proposed that suits shall be brought for the foreclosure of the several first mortgages on the component parts of the system, except the Ionia and Lansing first mortgage, which will not be disturbed, and that the different properties shall be bought at foreclosure sale by the committee representing the bondholders who shall become parties to the Reorganization Plan. A new corporation will be organized by the purchasers, which will take over the purchased roads, issuing its securities in payment therefor, and those securities will be distributed among the parties to the Plan in the proportions and to the amounts therein set forth.

Security holders are requested to sign the enclosed agreement and to deposit their securities with the committee named in the agreement by leaving them, together with the signed agreement, at the office of Charles Merriam, Treasurer, 50 State Street, Boston, or at the office of the Guaranty Trust Company, 65 Cedar Street, New York, who will issue negotiable receipts for the same.

Those whose securities are registered are requested also to sign and forward the enclosed power of assignment and transfer.

Those who have already deposited their securities with the Trustees under the Plan of March 6, 1894, can leave with one of the above named depositaries the Trustees' receipt for said securities endorsed to the Reorganization Committee. By signing the agreement, they authorize the delivery of the securities by the Trustees under the former plan to the Committee named in the agreement for the purposes of the present Reorganization Plan.

By order of the Board of Directors.

CHAS. MERRIAM,  
*Treasurer.*

BOSTON, February 1, 1896.







6

# REORGANIZATION

## OF THE

### COLUMBUS & HOCKING COAL & IRON COMPANY.

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As the Stockholders of the Columbus & Hocking Coal & Iron Company are doubtless aware, proceedings were begun by the Central Trust Company, as Trustee, in the Court of Common Pleas of Hocking County, Ohio, asking for the foreclosure of the mortgage which it holds upon the Company's property, and for the appointment of a receiver; and, thereupon, a Protective Committee was appointed to represent the interests of the stockholders.

The foreclosure proceedings were instituted in consequence of non-payment of taxes, sinking fund, and interest on the bonds. By use of resources of the Company which were available for that purpose, the President and the Protective Committee succeeded in meeting these claims, whereupon the Court refused to appoint a Receiver, and placed the following entry upon its docket:

“ Upon hearing all the evidence presented to the Court in this case, on this 28th day  
“ of April, 1896, the Court found and held that the weight of such evidence  
“ showed that the defendant company's assets very largely exceeded its liabilities;  
“ that the management and use of its property were as good as practicable, and  
“ that the defendant company had been and is using the products of the property  
“ only for proper and lawful purposes; but that since the defendant company had  
“ defaulted once in the payment of interest, since this action was commenced,  
“ the case would be retained by the Court until July 6th, 1896, in order to see  
“ whether the payment of the July 1st, 1896, instalment of interest shall be paid  
“ or defaulted.”

Although this Company, in common with other coal companies, has suffered from the depression of the past few years, yet its property is in excellent condition, and, as the Court found, *very largely* in excess

of its liabilities. It is ample, under ordinary conditions, not only to secure the bonded indebtedness, which has been reduced to \$930,000, but, in addition thereto, to give a very substantial value to the stock.

The quantity of coal upon this Company's 13,000 acres of land has been measured by competent engineers and found to be 30,000,000 tons. This, at the royalty of ten cents a ton, which is the recognized and established value in the Hocking Valley for coal upon naked land, without any improvements or equipments whatever, makes the worth of the coal alone \$3,000,000, to say nothing of the deposits of iron ore, the value of the surface for town lots and for farming purposes, the furnaces, the live stock, mining machinery and equipment, the equity in a car trust covering 300 railway cars, the stores and store buildings, the railways and other improvements, including nearly 600 houses. Since the beginning of the foreclosure proceedings, the value of the Company's property has been further enhanced by the discovery of oil.

Your committee believes that a reorganization should and can be effected by which a saving of more than \$20,000 a year in fixed charges alone will be assured; and, by reason of recent economies in management, and the introduction of the latest and best machinery, and the better condition generally of the properties operated by the Company, coal can now be produced at a lower cost than at any time hertofore.

The officers of your Company have recently leased a small part of this magnificent property at a minimum royalty of \$32,500 a year, and they inform your Committee that they have also applications for other leases, two of which will probably be accepted on royalties which will yield annually from \$15,000 to \$20,000 additional.

From this it will be seen that the Company has reached a position where its fixed income is almost sufficient to pay its fixed charges, leaving its net earnings from its own operations hereafter to accrue to the benefit of the stockholders.

But in order to preserve the Company and enable it to make a proper return to its stockholders for their investment, and avail itself of the advantages and improved conditions it has just attained, it must be provided with an adequate working capital, and must pay the interest on its bonds, which will accrue on July 1st, 1896; otherwise, the sums which have been expended to bring the property to its present productive capacity will be sacrificed, and the advantages will be lost which your committee and the officers of the Company have gained in the recent litigation.

Your committee, after interviews with the bondholders' committee, and conferences with the officers of your Company and many of the stockholders, finds:

That to effect a satisfactory reorganization and accomplish the purposes above set forth, it will be necessary to make an assessment not exceeding \$3.00 a share, and you are therefore asked to deposit your stock under the terms of a reorganization agreement, which can be found at The Farmers' Loan and Trust Company, No. 22 William Street, in the city of New York.

REORGANIZATION  
OF THE  
COLUMBUS & HOCKING COAL & IRON COMPANY.

---

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“ showed that the defendant company's assets very largely exceeded its liabilities;  
“ that the management and use of its property were as good as practicable, and  
“ that the defendant company had been and is using the products of the property  
“ only for proper and lawful purposes; but that since the defendant company had  
“ defaulted once in the payment of interest, since this action was commenced,  
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Your committee believes that a reorganization should and can be effected by which a saving of more than \$20,000 a year in fixed charges alone will be assured; and, by reason of recent economies in management, and the introduction of the latest and best machinery, and the better condition generally of the properties operated by the Company, coal can now be produced at a lower cost than at any time hitherto.

The officers of your Company have recently leased a small part of this magnificent property at a minimum royalty of \$32,500 a year, and they inform your Committee that they have also applications for other leases, two of which will probably be accepted on royalties which will yield annually from \$15,000 to \$20,000 additional.

From this it will be seen that the Company has reached a position where its fixed income is almost sufficient to pay its fixed charges, leaving its net earnings from its own operations hereafter to accrue to the benefit of the stockholders.

But in order to preserve the Company and enable it to make a proper return to its stockholders for their investment, and avail itself of the advantages and improved conditions it has just attained, it must be provided with an adequate working capital, and must pay the interest on its bonds, which will accrue on July 1st, 1896; otherwise, the sums which have been expended to bring the property to its present productive capacity will be sacrificed, and the advantages will be lost which your committee and the officers of the Company have gained in the recent litigation.

Your committee, after interviews with the bondholders' committee, and conferences with the officers of your Company and many of the stockholders, finds:

That to effect a satisfactory reorganization and accomplish the purposes above set forth, it will be necessary to make an assessment not exceeding \$3.00 a share, and you are therefore asked to deposit your stock under the terms of a reorganization agreement, which can be found at The Farmers' Loan and Trust Company, No. 22 William Street, in the city of New York.



The manner in which such reorganization will be effected, and the property of the company acquired, must necessarily depend upon the circumstances as they present themselves.

Participation in the benefits of reorganization in any respect whatsoever, by any stockholder, is dependent upon his depositing his stock, whether common or preferred, with The Farmers' Loan and Trust Company, in the city of New York, on or before June 25th, 1896, and paying an assessment not exceeding \$3.00 a share, as required by the terms of the agreement. Such depositors will receive negotiable certificates of deposit upon the surrender of their stock in negotiable form.

Fifty cents a share of such assessment will be payable at the time of the deposit of stock, and the remainder, not exceeding \$2.50 a share, in not less than three instalments, none of which shall be more than \$1.00 a share, and such assessments shall be at least thirty days apart.

Notice of such assessments will be given by publication in the *New York Tribune*, the *New York Sun* and the *New York Evening Post*, or in any three daily newspapers of general circulation published in the city of New York twice in each week, for two successive weeks, beginning on any day of the week before such assessment shall be due; and failure to pay any assessment will subject the deposited stock and all rights on account of any prior payments to forfeiture as in said agreement provided.

Stockholders depositing their stock and paying the assessments called for, not exceeding \$3.00 a share, will receive common and preferred stock in an amount proportionate to the stock deposited, and additional preferred stock of the reorganized Company equal in par value to the amount of assessments so paid by them, upon the completion of the reorganization and the surrender of their certificates of deposit.

In case the amount of assessments paid makes it impossible to give an equivalent amount in preferred stock of the Company at \$100 a share, certificates for fractional shares will be issued, which may be exchanged for Stock certificates on presentation in proper amounts.

Copies of the agreement for such reorganization may be obtained from The Farmers' Loan and Trust Company, or on application to any member of the Committee, at the following addresses:

FRANK B. KEECH, No. 72 Broadway, New York,  
DANIEL N. CROUSE, Utica, New York,  
FRANK T. REDWOOD, Baltimore, Maryland,  
JOHN BLOODGOOD, Mills Building, New York.  
*Chairman,*

Further information may be obtained from:

JOHN J. LENTZ, Columbus, Ohio,  
ALFRED P. W. SEAMAN, No. 56 Pine Street, New York, } *Counsel.*

Dated, New York, June 9th, 1896.



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Notice of such assessments will be given by publication in the New York *Tribune*, the New York *Sun* and the New York *Evening Post*, or in any three daily newspapers of general circulation published in the city of New York twice in each week, for two successive weeks, beginning on any day of the week before such assessment shall be due; and failure to pay any assessment will subject the deposited stock and all rights on account of any prior payments to forfeiture as in said agreement provided.

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ALFRED P. W. SEAMAN, No. 56 Pine Street, New York, } *Counsel.*

Dated, New York, June 9th, 1896.





# PLAN OF REORGANIZATION

## OF THE

### Detroit, Lansing & Northern Railroad Co. System.

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#### Securities to be Deposited:

DETROIT, LANSING & NORTHERN R. R. CO. 7% BONDS . . . . .	\$2,672,000
{ This amount includes \$241,000 bonds in a Sinking Fund in which only the { D., L. & N. 7% Bonds have an interest.	
GRAND RAPIDS, LANSING & DETROIT R. R. CO. 5% BONDS . . . . .	1,108,000
SAGINAW & WESTERN R. R. CO. 6% BONDS . . . . .	566,000
SAGINAW VALLEY & ST. LOUIS R. R. CO. 8% BONDS . . . . .	446,000
SAGINAW & GRAND RAPIDS R. R. CO. 8% STOCK . . . . .	49,300
IONIA & LANSING R. R. CO. 5% BOND COUPONS . . . . .	96,250
Due January 1, 1894, to January 1, 1896, inclusive.	
COUPONS DUE IN 1893, purchased . . . . .	175,290
PREFERRED STOCK, the present preferred stock . . . . .	2,510,000

#### New Securities to be Issued:

It is proposed to form a new Company under foreclosure of the different mortgages of the Detroit, Lansing & Northern System, which shall have power to issue —

*First.* FIFTY-YEAR GENERAL MORTGAGE BONDS payable April 1, 1946, and bearing interest at the rate of four per cent. Said mortgage to contain such provisions for the protection and security of the holders of said bonds as counsel shall advise. Said bonds to be limited in amount of principal to . . . . . \$6,000,000.00

*Second.* FIVE PER CENT. PREFERRED STOCK . . . . . 3,066,047.46

To be entitled to five per cent. dividends per annum, non-cumulative, out of the net earnings of each year in preference to the common stock. In any year in which both classes of stock receive five per cent. dividends, any additional dividend shall be divided in equal percentage upon both common and preferred stocks.

The corporation shall agree with the preferred stockholders that without the consent of the holders of a majority of the preferred stock, no bonds shall be issued except those provided in the reorganization agreement, and no lease or operating contract shall be made without such consent.

*Third.* COMMON STOCK . . . . . 2,510,000.00

### The New Securities to be distributed as follows:—

For each **\$1,000.00 Detroit, Lansing & Northern R. R. Co. 7% Bond** with all overdue coupons:

\$750.00 New 4% Bonds, being 75% of principal of old bond.

737.50 New 5% Preferred Stock, being 25% of principal, and interest at 5% per annum to April 1, 1896, and a bonus of \$350.

\$1,487.50 New Securities entitled to annual income, if earned, of \$66.88.

It is expected that the D., L. & N. bondholders will also receive the benefit of the Sinking Fund described on the following page; which will probably in effect increase their holdings in the new bonds and preferred stock some nine or ten per cent.

For each **\$1,000.00 Grand Rapids, Lansing & Detroit R. R. Co. 5% Bond** with all overdue coupons:

\$750.00 New 4% Bonds, being 75% of principal of old bond.

529.17 New 5% Preferred Stock, being 25% of principal, and interest at 5% per annum to April 1, 1896, and a bonus of \$150.

\$1,279.17 New Securities entitled to annual income, if earned, of \$56.46.

For each **\$1,000.00 Saginaw & Western R. R. Co. 6% Bond** with all overdue coupons:

\$750.00 New 4% Bonds, being 75% of principal of old bond.

487.50 New 5% Preferred Stock, being 25% of principal, and interest at 5% per annum to April 1, 1896, and a bonus of \$100.

\$1,237.50 New Securities entitled to annual income, if earned, of \$54.38.

For each **\$1,000.00 Saginaw Valley & St. Louis R. R. Co. 8% Bond** with all overdue coupons:

\$750.00 New 4% Bonds, being 75% of principal of old bond.

470.83 New 5% Preferred Stock, being 25% of principal, and interest at 5% per annum to April 1, 1896, and a bonus of \$100.

\$1,220.83 New Securities entitled to annual income, if earned, of \$53.54.

For each **\$1,000.00 Saginaw & Grand Rapids R. R. Co. 8% Stock**:

\$750.00 New 4% Bonds, being 75% of old principal.

470.83 New 5% Preferred Stock, being 25% of principal, and interest at 5% per annum to April 1, 1896, and a bonus of \$100.

\$1,220.83 New Securities entitled to annual income, if earned, of \$53.54.

For **Coupons due in 1893**, (purchased and still unpaid by the Company):

New 4% Bonds at par for the face of said coupons with interest at 5% per annum to April 1, 1896.

For **Ionia & Lansing R. R. Co. Coupons**, due January 1, 1894, to January 1, 1896, inclusive:

New 4% Bonds at par for the face of said coupons with interest at 5% per annum to April 1, 1896.

Bonds of the denominations of \$1,000 and \$500 will be issued, and scrip for amounts less than \$500. Preferred stock scrip will be issued for amounts less than \$100.

**For the Present Preferred Stock:** One share of New Common Stock for each share of present Preferred Stock.

### The Sinking Fund

CONTAINS THE FOLLOWING SECURITIES:—

\$241,000.00 Detroit, Lansing & Northern R. R. Co. 7% Bonds and interest thereon.  
 9,594.81 Overdue Coupons of same of July 1, 1893, with interest to April 1, 1896.  
 20,000.00 Ionia & Lansing R. R. Co. 5% Bonds.  
 3,475.00 Overdue Coupons of same with interest to April 1, 1896.

**The total of New Securities** required for distribution in exchange for old securities as above stated, is:

\$3,912,918.13 4% General Mortgage Bonds,  
 3,066,047.46 5% Preferred Stock,  
 2,510,000.00 Common Stock,

and there will remain in the Treasury \$2,087,081.87 4% General Mortgage Bonds to retire the \$770,000 Ionia & Lansing R. R. Co. 5% bonds at maturity and provide, by exchange or by purchase if deemed desirable, for the \$317,000 in securities of terminals at Detroit now held by private parties in the interest of the D., L. & N. system. The balance of the bonds to be held for the acquirement of any properties that may be deemed necessary to secure a greater revenue for the road.

**The immediate annual Fixed charges** under above plan will be as follows:—

4% per annum interest upon \$3,912,918.13 General Mortgage Bonds	\$156,516.73
5% per annum interest upon 770,000.00 Ionia & Lansing Bonds	38,500.00
	\$195,016.73
Detroit Terminal charges, say	48,000.00
Total	\$243,016.73

**The Net Earnings** applicable to above charges, for the past three years have been as follows:—

1893	\$313,778.45
1894	221,889.54
1895	272,742.76



**Agreement**, made the First day of February, 1896, between H. HOLLIS HUNNEWELL, NATHANIEL THAYER, ALPHEUS H. HARDY, all of Boston, MARK T. COX and JAMES TIMPSON, both of New York, hereinafter called the Committee, parties of the first part, and all the holders of the bonds of the DETROIT, LANSING & NORTHERN RAILROAD COMPANY, the SAGINAW & WESTERN RAILROAD COMPANY, the GRAND RAPIDS, LANSING & DETROIT RAILROAD COMPANY, the SAGINAW VALLEY & ST. LOUIS RAILROAD COMPANY, and all the stock of the SAGINAW & GRAND RAPIDS RAILROAD COMPANY, and preferred stock of the DETROIT, LANSING & NORTHERN RAILROAD COMPANY, who shall become parties to this agreement, hereinafter called the Depositors, parties of the second part.

**Whereas**, the railroads above described have been heretofore operated together by the Detroit, Lansing & Northern Railroad Company and constitute the Detroit, Lansing & Northern Railroad System; and

**Whereas**, the plan hereto attached has been proposed for the reorganization of the said system and for the purchase of all the properties therein by a new corporation, whose securities are to be issued in consideration of the transfer to it of the title to said Railroad properties;

**Now Therefore**, each and every person who shall become a party hereto either by signing this instrument or depositing his securities with either of the depositaries hereinafter named, in accordance with its provisions, hereby promises and agrees each for himself and not for any other, to and with each and every other Depositor and with the Committee, and the Committee and all the other parties hereto do mutually promise and agree as follows:—

*First*:—A printed copy of this agreement, certified by a majority of the Committee, shall be held and taken as an original agreement; but any copy or copies thereof may be signed by any party, and all copies signed shall be deemed and taken to constitute one original agreement.

The plan of reorganization, as above set forth, is, and shall be, taken as a part of this agreement, and the said plan and this agreement shall be read as part of one and the same paper.

The term Depositor whenever used herein is intended and shall be construed to include not only persons acting in their own right, but also trustees, guardians, committees, agents, and all other such persons acting in a representative or fiduciary capacity, and those representing or claiming under them, and partnerships, associations, joint stock companies and corporations.

A deposit of securities under this agreement shall constitute the Depositor a party hereto, and entitle him to the benefits hereof as fully as if he had signed this agreement.

*Second*:—The Depositors severally request and authorize the Committee to carry into practical operation and fully execute this agreement, including the said plan of reorganization substantially as above set forth with such additions, exceptions, and modifications as the Committee acting in the interest of the Depositors shall deem to be for their best interests. Such modification, however, to be subject to the conditions, limitations, and provisions hereinafter mentioned.

In consideration of the assent of the Committee to this request and of the assumption of the trust hereby created or proposed and the contemplated action of the Committee hereunder, each and every Depositor does hereby constitute the Committee, his trustee and agent, to carry out and fully effectuate this agreement and the said plan of reorganization, and does hereby sell, assign, transfer, and set over to the Committee as joint tenants, and not as tenants in common,



and to the survivors and survivor of them, and to their successors in trust for the purpose of this agreement, each and every security deposited by him as aforesaid upon the following terms and conditions.

1. Each Depositor for himself, and not for any other depositor, to the extent of his interest in any and all deposits hereunder, hereby gives to and vests in the Committee all the power and authority of the owner of the securities deposited hereunder, and the Committee shall have general power and authority in its discretion to do any and all acts and things that may be requisite or convenient for the purpose of protecting and enforcing the interest of the Depositors, and carrying into effect the foregoing plan of reorganization and the details thereof.

2. The Committee may adopt rules of procedure and fill vacancies in and add to their number. Any person so becoming a member of the Committee shall be deemed to be a party to this agreement and trustee thereunder with the same power and authority as if he were originally named as a party thereto.

Any member may by power of attorney authorize any other member to vote for him or otherwise act in his behalf as a member of the Committee.

The Committee may act by vote and may keep a record which shall be evidence of their action.

The act of a majority of the Committee at any meeting duly called shall be considered the act of the Committee; but no member of the Committee shall be individually liable, nor liable for the act of any other member, nor for anything but his own wilful misconduct; nor shall the Committee or any of its members be personally responsible for the execution of said plan or of this agreement.

Any member may resign at any time by giving notice in writing to a majority of the remaining members, and such of the members as continue to act may release and discharge any resigning member.

The Committee may act through sub-committees and may delegate any authority, discretionary or otherwise, to any sub-committee.

The members of the Committee shall be paid all their expenses incurred and a reasonable compensation for their services hereunder.

3. The Committee may pledge or sell at public or private sale, or otherwise dispose of, any securities of the reorganized company left in their hands after the depositors shall have received all the securities to which they are entitled under the plan of reorganization. The Committee may use the securities so remaining in their hands, or the proceeds thereof, in the acquisition of property necessary or convenient for the operation or improvement of said Railroad System, or in the settlement of any claim or claims against said present Railroad Companies or their property, and in defraying the expenses of the Committee of Reorganization or in such other manner as the Committee may deem expedient or advisable for the purpose of carrying out the reorganization.

The Committee may provide and contract for underwriting with respect to the issue of bonds or stock or either under said plan as in their judgment shall seem wise in order to insure the success of said plan.

4. The Committee is authorized to bid at any foreclosure or other sale under decree of Court of any of the properties comprised in the said DETROIT, LANSING & NORTHERN RAILROAD SYSTEM and to purchase such property at such price as they may deem advisable. They may also in their discretion resell any part of the property so purchased; may apply the deposited securities or any of them in whole or part satisfaction of any bid or towards obtaining funds for the payment of the purchase price of any property purchased; may procure the incorpora-

tion of any new railroad company or companies under the laws of the State of Michigan and may transfer to such company or companies the railroads and property purchased or any part thereof and any of the deposited securities and make such arrangements, including any operating contracts or leases between such new corporations, as may in their judgment be convenient or proper for the purpose of creating the new system of railroads and the new securities provided for in the plan and carrying out the purposes of said plan. They may cause such new securities to be issued to themselves or their nominees and to be held and voted on by them so long as may be necessary to carry out the plan. They may receive in such form as they shall see fit the proceeds of any sinking fund to which any of the securities deposited with them may be entitled. They may select and cause the selection of the first Board of Directors of the new Company.

5. The Committee may purchase at such prices as it sees fit any notes or obligations of either of said companies, including contracts, leases, car-warrants, and any receiver's certificates issued by any receiver of any of said companies. They may borrow money for the purpose of paying any expenses incurred under this agreement to an amount not exceeding ten per cent. on the par of the bonds and coupons deposited, and all expenses incurred by the Committee, including any cash payments they may have to make in pursuance of any foreclosure sale, and any purchases they may make under the preceding clause, shall be a charge on the bonds and coupons deposited to that amount. They may sell or otherwise dispose of, upon such terms and at such prices as they shall see fit, such of the new securities as would have been distributable to holders of old securities who are not depositors, if they had deposited their old securities, and may issue receipts or scrip representing the same if they are sold before they are issued.

6. The Committee may construe this agreement including said plan, and their construction thereof or action thereunder, in good faith, shall be final and conclusive; they shall have power to determine and to act according to their judgment in all matters not specifically provided for herein, but within the general purpose set out in said plan; and shall also have power to modify said plan in any matter of detail not affecting the substantial rights of the other parties hereto.

7. The Committee shall be the sole judge when and whether the deposit of a sufficient amount of securities of any of the companies mentioned in the plan shall have been obtained to make it expedient to carry out the plan or any part thereof.

In case the Committee should conclude that a sufficient amount of the bonds of any of the companies shall not have been deposited to render it advisable to include such company or companies in the reorganization, then said Committee may wholly exclude such company or companies from the plan, and may proceed to carry out the plan as to the remaining companies with such modifications as they may deem necessary by reason of such exclusion.

The depositors of securities of the companies so excluded shall be entitled to withdraw their securities without charge upon surrender of the certificates of deposit issued therefor.

In case the Committee shall determine that, by reason of an insufficient deposit of securities, or for any other reason, it has become inexpedient to attempt to carry any part of the plan into effect, then all the securities shall be returned to the depositors upon the surrender of their certificates of deposit.

8. Any party signing this agreement, but not forthwith depositing his securities hereunder, shall, unless the Committee shall waive such failure to make immediate deposit, extending the time therefor, and such deposit shall be made within such extended time, cease to be a party hereto and shall have no rights hereunder.

9. The depositaries under this agreement shall be Charles Merriam, Treasurer, 50 State Street, Boston, and the Guaranty Trust Company, 65 Cedar Street, New York.

10. Any party to this agreement whose securities are in the hands of George O. Shattuck, Alpheus H. Hardy, and Charles Merriam, Trustees under the reorganization plan of March 6, 1894, may deposit, in lieu of the securities, the receipt of said Trustees duly endorsed to the Reorganization Committee, and the said Trustees are hereby authorized to deposit in exchange for such receipt the securities therein described. Where the securities are registered bonds, the Trustees are empowered to transfer them in the books of the Company to the Committee.

SUBSCRIBER AND ADDRESS.	AMOUNT OF BONDS OR STOCK.	DESCRIPTION OF SECURITIES.





**UNITED STATES CORDAGE COMPANY**  
**REORGANIZATION COMMITTEE,**  
**NO. 2 NASSAU STREET.**

New York, June 5, 1895.

**To Holders of First Mortgage Bonds, and of  
Guaranteed, Preferred and Common Stock  
of the United States Cordage Company.**

The undersigned, at the request of the holders of a large amount of the bonds and stocks of the United States Cordage Co., have consented to act as a committee for the protection of the rights of all parties, and the reorganization of the affairs of the Company.

The Committee has prepared and deposited with the Manhattan Trust Company a plan of reorganization providing in substance as follows:

*First*—The organization of a corporation to acquire the real estate and other properties of the present company.

*Second*—The issue of the following securities:

- (a) \$3,000,000 First Mortgage 6 per cent. Fifty-Year Gold Bonds.
- (b) \$7,500,000 Consolidated Mortgage 5 per cent. Fifty-Year Gold Bonds, with voting power; 5 per cent. interest, non-cumulative, payable from profits in any year prior to any dividend upon the stock, provided that after a dividend of 2 per cent. is paid upon the stock of the Company in any year, there shall be paid, upon the consolidated bonds a further amount not to exceed  $2\frac{1}{2}$  per cent. from profits, if such profits shall justify the same, in case there are arrears of interest equal to said amount; otherwise to the amount of such interest as may be in arrear.
- (c) \$12,000,000 Common Stock.

*Third*—The holders of bonds and stocks of the present Company who shall become parties to the reorganization, and shall deposit the same with the committee, shall be entitled to receive bonds and stock as hereinabove described, on the following basis:

- (a) Holders of the present outstanding issue of \$7,500,000 of bonds shall be entitled to exchange the same at par for consolidated bonds, the interest coupon maturing July 1, 1895, to be paid also in like bonds.
- (b) Every holder of guaranteed stock shall subscribe at par for said new First Mortgage bonds (aggregating \$3,000,000) to the amount of \$20 per share for his respective holding, and shall pay \$5 per share upon becoming party to the agreement, and the remainder in three instalments upon the call of the Committee upon not less than ten days' notice, and shall receive upon the completion of such payments, and upon the performance of the conditions of the reorganization, when prepared for issue



bonds of the said issue of \$3,000,000 at par, to the amount of said payment in cash, interest on such bonds to be adjusted, and shall also receive 80 per cent. in the common stock of the new Company, at par upon the par value of his said holding deposited under the agreement.

- (c) Every holder of preferred stock shall, in like manner, subscribe at par for said new First Mortgage bonds to the amount of ten dollars per share for his respective holding, and shall pay \$2.50 per share upon becoming party to the agreement, and the remainder in three instalments, as above provided, receiving bonds to the amount of such cash payment, and forty per cent. of common stock of the new company, at par, upon the par value of his holding of preferred stock.
- (d) Every holder of common stock shall in like manner subscribe at par for said new First Mortgage bonds to the amount of five dollars per share for his respective holding, and shall pay \$1.25 per share upon becoming party to the agreement, and the remainder in three instalments as above provided, receiving bonds to the amount of such cash payment, and twenty per cent. of common stock of the new company, at par upon the par value of his holding of common stock.

Holders of securities of the United States Cordage Company must deposit the same on or before June 14, 1895, with the **Manhattan Trust Company**, New York City, as follows :

First Mortgage Bonds.

Guaranteed stock, with first instalment of \$5.00 per share.

Preferred stock, with first instalment of \$2.50 per share.

Common stock, with first instalment of \$1.25 per share.

Negotiable receipts will be issued by the **Manhattan Trust Company** on deposit of bonds, and of Guaranteed, Preferred, and Common Stock, and application to list the same will be made to the Stock Exchange.

Stockholders must endorse their stock *in blank*, have signature witnessed and guaranteed, and forward certificates to **Manhattan Trust Company**, on or before **June 14, 1895**, accompanied with certified cheque or New York draft for the first instalment.

The "Assent" paper herewith must also be signed by each bond and stockholder and must accompany the deposit of bonds or stock.

FRANK K. STURGIS,

WILLIAM BARBOUR,

JOHN I. WATERBURY,

COMMITTEE.

T. H. WENTWORTH, Secretary.

Guaranteed stock paid \$50 per sh & received

20% in 1<sup>st</sup> mtg Gold 6%

80% in common stock

2000 1<sup>st</sup> mtg, 50 year Gold Bonds @ 75 1500.

80 shs Com stock @ 10

800  
7300.

3,000,000 @ 6% = 180,000

7,500,000 @ 5% 375,000  
555,000.



9

## DETAILED PLAN OF REORGANIZATION CENTRAL WASHINGTON RAILROAD.

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*To the Holders of Trust Certificates issued under the Agreement of Holders of Bonds of the Central Washington Railroad Company, dated March 19th, 1894:*

I. The undersigned, the Committee constituted by the Agreement dated March 19th, 1894, with the holders or owners of the first mortgage sinking fund six per cent. gold bonds of the Central Washington Railroad Company issued under the mortgage of said Company to the Farmers' Loan and Trust Company of New York, dated September 1st, 1888, respectfully report to the holders of the Trust Certificates issued under said Agreement that the said mortgage has been foreclosed and the said Committee has purchased the mortgaged property at the foreclosure sale on a bid of One hundred thousand Dollars.

II. Paragraph 11 of the second Article of the said Agreement of bondholders provides as follows:

"In case the mortgage shall be foreclosed and the Committee shall have purchased the mortgaged property, the Committee shall, prior to the conveying of the purchased property to any new company, submit to the holders of the Trust Certificates issued hereunder a detailed plan of the reorganization which shall be binding upon all said holders, unless the holders of the majority in interest of said certificates shall, within thirty days from the submission of the plan, file with the Knickerbocker Trust Company of New York their written dissent from the plan."

III. In compliance with the said provisions, your Committee submits the following plan of reorganization:

FIRST. A new corporation to be organized under the laws of the State of Washington, to be named, "The Washington Central Railway Company," having a capital stock of One million Dollars.

SECOND. Said corporation to execute its 50-year first mortgage gold bonds to the amount of \$1,538,000 par value of principal, dated and bearing interest from March 1st. 1898, at the rate of four per centum per annum, payable quarterly; both principal and interest being payable in gold coin of the United States of America of the present standard of weight and fineness. Such bonds to be secured by a first mortgage to the Knickerbocker Trust Company, as Trustee, upon all the railroad and appurtenant property of the Central Washington Railroad Company, now in the hands of your Committee (not including, however, the claims enumerated in the Fifth Article of this plan), and also covering all property thereafter acquired by the new Company, including all its title and interest to the lease of its railroad to the Northern Pacific Railway Company, hereinafter mentioned. Said mortgage also to contain provision for the further issue of similar bonds equally secured thereby, for the purpose of the construction, purchase, acquisition and equipment of extensions or branches at the rate of \$15,000 per mile of such additional completed and equipped railroad.

THIRD. Your Committee to sell and transfer to the said new corporation all of the railroad and property purchased by it of the Central Washington Railroad Company (not including the claims above mentioned), in consideration of the entire capital stock aforesaid (less five shares necessary to qualify directors), and the \$1,538,000 first mortgage gold bonds above-mentioned of the new corporation.

FOURTH. The Washington Central Railway Company to lease its said railroad and property to the Northern Pacific Railway Company for nine hundred and ninety-nine years

in consideration of the payment quarterly by the Northern Pacific Railway Company of a rental in gold equal to the interest as it matures upon all of the first mortgage bonds above mentioned which may be from time to time issued and outstanding under said mortgage, and of the covenant of the Northern Pacific Railway Company to pay all taxes and charges upon the lessor company and upon the demised premises and to provide for its proper maintenance and its operation according to the laws of the State of Washington, and for the maintenance of the corporate existence of the lessor company; the right, title and interest of the lessor in said lease to receive the rentals therein provided to be assigned to the trustee of the said first mortgage as further and additional security, and the lease not to be modified or canceled without the consent of such trustee, and the rental to be paid directly to the bondholders or to the trustee for the benefit of bondholders, at the Trustee's option.

FIFTH. Your Committee to sell, assign and transfer to the Northern Pacific Railway Company:

(a) All the first mortgage bonds of the Central Washington Railroad Company deposited with it under the Agreement of March 19th, 1894 (including all unpaid coupons thereto pertaining), bearing the guaranty of the Northern Pacific Railroad Company.

(b) Also all the right, title and interest of your Committee or in any way existing under or upon the bonds and coupons deposited with them under the agreement of March 19th, 1894, by reason of said guaranty.

(c) Also all right, title and interest of your Committee or in any way existing under or upon the bonds and coupons deposited with them under the Agreement of March 19th, 1894, in and to any claim for a deficiency or deficiency judgment in the foreclosure suit of the Central Washington Railroad Company above mentioned.

(d) Also all right, title and interest of your Committee or in any way existing under or upon the bonds and coupons deposited with them under the agreement of March 19th, 1894, in and to any claims by the Central Washington Railroad Company, or its Receivers, against the Northern Pacific Railroad Company, or its Receivers, or against the Northern Pacific Railway Company, or against any former Receivers of the Central Washington Railroad Company.

(e) Also the entire capital stock, in its hands as aforesaid, of the said Washington Central Railway Company.

(The five shares of stock of said new Company reserved as aforesaid for qualification of Directors also to be transferred to the nominees of the Northern Pacific Railway Company.)

In consideration of the foregoing, the Northern Pacific Railway Company is:

1. To consent to this plan as holder of all but seven shares of the 15,000 shares of the common stock of the old Central Washington Railroad Company.

2. To deliver to your Committee 13,975 shares of the common stock of the Northern Pacific Railway Company represented by common stock Trust Certificates of the voting trustees issued under the Agreement of December 1st, 1896, and heretofore listed on the Stock Exchange.

3. To execute the lease above mentioned.

SIXTH. Of the \$1,538,000 first mortgage Washington Central bonds and \$1,397,500 voting Trust Certificates of Northern Pacific Railway Company common stock thus to come into the hands of your Committee as aforesaid, the following disposition to be made:

(a) Each holder of the Central Washington Trust Certificates now issued and outstanding under the Agreement of March 19th, 1894, to receive, on surrender of such certificates, \$715, par value, of the new first mortgage Washington Central bonds and \$650, par value, of the voting Trust Certificates of Northern Pacific Railway Company common stock for each such Central Washington Trust Certificate held by him representing a one-thousand-dollar old Central Washington bond.

(b) \$37,180 par value Washington Central First Mortgage Bonds, to be held by Messrs. J. P. Morgan & Company on trust, to be distributed in the same proportion as under (a) to such owners of the fifty-two Central Washington Bonds still outstanding as may come in within two years from the date hereof, and assign to the Northern Pacific Railway Company their old bonds and coupons and all rights and claims thereunder. After the expiration of such two years, all of said bonds which have not been thus claimed to be held in the same manner and for the same purpose until the Northern Pacific Railway Company shall request the said Trustees to cancel the same, and on such request the said bonds shall be canceled, and all the interest paid and accumulated thereon, less the expenses of the Trustees for such service, to be paid over to the Washington Central Railroad Company.



(c) The remainders of securities too small to be specifically divided—viz., the remainder of the voting Trust Certificates for Northern Pacific common stock, representing 338 shares of stock, and the remainder of the bonds, amounting to \$750—to be sold, and the proceeds distributed ratably among the certificate holders at the time of exchange, unless and except so far as the same may be necessary for the payment of expenses of reorganization.

(d) All remainders arising under the foregoing plan of distribution amounting to less than \$500 in bonds to be represented by scrip, which will be redeemed in bonds when presented in amounts of \$500 or any multiple thereof.

Under paragraph 11 of the Second Article of the Bondholders' Agreement of March 19th, 1894, this plan will become operative unless the holders of a majority in interest of the certificates shall, within thirty days from the submission hereof, file with the Knickerbocker Trust Company of New York City their written dissent therefrom.

IV. Paragraph 12 of the Second Article of the Bondholders' Agreement of March 19th, 1894, provides as follows :

“ The Committee \* \* \* with the consent of the holders of a majority in interest of the outstanding Trust Certificates may take any action, other than is provided for by this agreement, which the Committee shall unanimously determine to be for the benefit ratably of all the certificate holders.”

We also beg to inform the holders of such certificates that this plan has been unanimously determined by the Committee to be for the benefit ratably of all of the said certificate holders, and respectfully request them to sign and mail to the Knickerbocker Trust Company of New York City their affirmative consents in writing in the form enclosed herein. A copy of such consent to be retained by the certificate holder is also printed below.

Dated April 28th, 1898.

CHARLES T. BARNEY,  
ALFRED M. HOYT,  
CHARLES E. EDDY,  
Committee.

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#### Form of Consent.

The undersigned, the holder of Trust Certificates issued to the holders of bonds of the Central Washington Railroad Company by the Knickerbocker Trust Company of New York under the Bondholders' Agreement of March 19th, 1894, with Charles T. Barney, Alfred M. Hoyt and Charles E. Eddy as a Committee, representing bonds of \$1,000 each, deposited under said agreement, hereby consents to the action provided for by the plan submitted by said Committee under date of April 28th, 1898, and entitled “ Detailed Plan of Reorganization ; Central Washington Railroad.”





**This Agreement**, made at the City and State of New York, this ninth day of March, in the year 1895, between RICHARD B. HARTSHORNE, JOHN I. WATERBURY, FREDERICK M. LOCKWOOD, JULES S. BACHE, WILLIAM E. HUTTON, hereinafter called the Committee (and such other person or persons as may hereafter constitute said Committee), being a Reorganization Committee of the said Company, parties of the first part, and such of the stockholders of the DISTILLING AND CATTLE FEEDING COMPANY as shall become parties hereto, and comply with the terms hereof, parties of the second part.

WHEREAS, The Distilling and Cattle Feeding Company is a corporation incorporated under the laws of the State of Illinois, with a capital stock consisting of three hundred and fifty thousand shares of the par value of one hundred dollars each, and an issue of bonds limited to eight millions of dollars, secured by mortgage made by said Company to the Central Trust Company of New York, as Trustee, dated June 1, 1893, upon the property of the Company, of which bonds, the amount of one million dollars is claimed to be outstanding, the same having been heretofore sold or claimed to have been sold, and doubt exists as to the right to enforce the same; and of which total a further amount of two millions five hundred thousand dollars has been deposited with the Central Trust Company of New York, as a pledge to secure the payment of all rebates which may be due and owing by the said Company, which bonds do not bear interest; and the remainder of which total issue of bonds have not been issued; and

WHEREAS, Receivers of the said Company have been appointed, upon applications made therefor, in certain actions, pending in the Federal courts in Illinois and other States; and the Receivers so appointed are in possession of the assets and property of the Company; and

WHEREAS, Certain debts exist, and there is question as to the liability of the said Company under contracts heretofore made; and a certain action is pending for the forfeiture of the franchises and rights of the Company, in which a judgment of ouster has been rendered against the Company, and an appeal therefrom has been taken and is now pending in the Supreme Court of the State of Illinois, which decision, if affirmed, would dissolve the corporation and require a sale of its assets; and

WHEREAS, Under existing circumstances a judicial sale of all the property of the Company may be ordered at an early day;

AND WHEREAS, The above mentioned mortgage is a lien substantially upon all the real estate of the Company, and at such sale the said real estate and property of the Company must be sold as an entirety;

AND WHEREAS, At any such sale there is danger that no adequate bid or price can be obtained for said property, unless the stockholders, of whom there are a very large number, shall act in unison and protect their interests through a committee or corporation representing such stockholders as a whole,

THEREFORE, the following plan for the protection of the interests of the stockholders and assets of the Company has been agreed upon between the Committee and a large number of the stockholders.

## PLAN OF REORGANIZATION.

FIRST.—One or more new corporations shall be created or the old Company reorganized, and such corporation or corporations invested with the title to the real estate and other properties of the Company. The term "Company," as hereinafter used, is intended to refer to such corporation or corporations as shall finally be utilized to issue the securities or perfect a reorganization provided for in this Plan.

The Company shall create, and as required shall issue the following securities:

1. Its Twenty-Year Gold Bonds of \$1,000 each, bearing interest at the rate of six per cent. per annum, and secured by a Mortgage or Deed of Trust to the Manhattan Trust Company, as Trustee, and which, upon satisfaction of the existing mortgage to the Central Trust Company, shall be a first lien upon the Company's property, rights and franchises; and which shall contain, among other things, provisions for a Sinking Fund, provisions for the payment of the said Bonds, at any time prior to maturity, at the price of 105 and accrued interest, and for the sale of any of the real estate and property of the Company not required for use in its business, and the application of the proceeds, and such other provisions as the Committee and counsel shall advise. The entire issue of said Bonds shall be limited to \$2,000,000, of which the amount of \$1,500,000 only shall be issued by the Committee in carrying out the plan, and the remaining \$500,000 or a part thereof shall be issued only in case of some emergency by the unanimous vote of the Committee in aid of the reorganization, or thereafter for the purposes of the Company only by a vote of two-thirds of the entire Board of Directors.

2. \$7,000,000 five per cent. non-cumulative Preferred Stock.

3. \$28,000,000 Common Stock.

If it be necessary to increase such Common Stock by reason of any outstanding shares the holders of which may not become parties hereto, such necessary increase may be made.

Said shares shall be of the par value of one hundred dollars each, and the same and such bonds shall be in such form as the Committee and counsel shall approve.

SECOND.—The holders of the stock of the present Company who become parties to the reorganization, and perform the conditions thereof, shall be entitled to receive bonds and stock of the Company upon the following basis:

1. Every holder of stock of the present Company shall subscribe at par for said new First Mortgage Bonds to the amount of four per cent. of their respective holdings, in all four dollars per share, and shall pay one dollar per share upon becoming parties to this agreement, and the remainder in instalments, upon the call of the Committee, on not less than ten days' notice; and shall receive, on payment of said four dollars per share, and the performance of the conditions hereof, bonds out of the said amount of \$1,500,000 to be presently issued as herein described, at par, interest to be adjusted, and twenty per cent. (20%) in Preferred Stock, non-cumulative, at par, and eighty per cent. (80%) in Common Stock of the Company based at par upon the par value of the stock in the present Company so deposited hereunder respectively.

2. Such bonds out of the amount of \$1,500,000 to be presently issued as may not be subscribed for, and any stock, Preferred or Common, not required for exchange, and any



cash on hand, shall be used and disposed of by the Committee for any purpose or purposes of reorganization or the expenses thereof, or for the benefit of the Company, as to the Committee may seem fit; and from the amounts to be raised, as herein provided, the existing First Mortgage Bonds shall be retired, and the rebate claims acquired or disposed of, provided, if the outstanding mortgage bonds or rebate vouchers cannot be procured upon terms approved by the Committee, and are not provided for, the same, or any of the same, may be left outstanding, provided the Committee shall retain or deposit an amount in cash equal to the outstanding bonds, or equal to any liability on the said vouchers, or otherwise satisfactorily secure the Trustee against the same.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that the subscribers hereto have agreed with each other and with the Committee as follows:

FIRST.—That the parties of the second part hereby constitute and appoint Richard B. Hartshorne, Frederick M. Lockwood, John I. Waterbury, Jules S. Bache and William E. Hutton their and each of their several attorneys in fact and as the Committee of Reorganization.

SECOND.—That each party hereto of the second part will co-operate to carry the foregoing plan, and this agreement, into effect, and will deposit his stock as herein provided with the Manhattan Trust Company at the City of New York, and will execute proper transfers thereof, so that the legal title thereto may become vested in the Committee, for which certificates shall be issued, on behalf of the said Trust Company, in such form as the Committee shall approve, which certificates the Committee will endeavor to have listed upon the New York Stock Exchange; provided, that if any of the parties assenting hereto shall fail to surrender or transfer their said stock, or fail to make the required payments, or fail to comply with the terms hereof, such party or parties shall forfeit all payments and have no further right to participate in the benefits hereof; provided, however, that the present outstanding securities may be utilized to accomplish the objects herein contemplated, as far as the same can be so used, in the discretion of the Committee.

Any Stockholder not becoming a party hereto, and not depositing his stock, shall not be entitled to participation herein, nor to share in any form in said reorganization.

THIRD.—The Committee shall be the sole judge as to when and in what manner and to what extent the plan shall be carried out. The Committee may in its judgment declare the plan operative; and in case for any reason the plan shall not be declared operative, or the same be declared abandoned, before or after any change therein, the stock deposited shall be returned to the several parties depositing the same, and all cash repaid, less the *pro rata* share of the expenses incurred. The Committee may extend time for acceptance, and may take such other steps as in their judgment shall be deemed best to carry out the plan.

FOURTH.—The Committee may fill any vacancy, appoint sub-committees, counsel, attorneys and agents, and incur such expenses as in its judgment are required in carrying out the plan. The Committee may confer with the Receivers, and take such steps as shall, in their judgment, be necessary in regard to any claim or liability preferred against the Receivers or the Company. Said Committee may transfer the said shares of stock into their own names; and may vote in person or by proxy upon the

same either in their names or in the names of the equitable owners, at any meeting, regular or special, of the stockholders of said existing corporation, or otherwise, or may on its demand receive a proxy from the Manhattan Trust Company to vote on the same, and may take any steps generally which it may be advised by counsel to be necessary to protect the interests of the owners or for the carrying out of said plan, and in particular may call any meeting which the Stockholders themselves might call for any purpose permitted by the laws of the State of Illinois; and institute any proceedings for the removal of the directors or officers of the existing Company, or to increase the number of directors thereof; and institute any suits against the said directors or officers or other persons which the Stockholders themselves might institute; and upon any sale or sales of the property of the said existing Company may, in its discretion, purchase and acquire the same, or any part or parts thereof, and use said stock and securities in its possession or deposited to pay for the same, and shall hold the same when so purchased, and generally exercise all and singular the powers and discretion which the parties of the second part, or any of them, might or could do singly or collectively, as Stockholders or otherwise. The Committee may construe this agreement, including said plan, and its construction, made in good faith, shall be conclusive. The Committee is further authorized to reorganize the present corporation or to organize a new corporation or corporations, in such form as it shall approve; to cause an issue of bonds and stock, as herein provided, to be made, whether by new securities or by utilizing the bonds and stock or either already outstanding; and may designate the first board of directors of any company or companies, and cause the reorganization plan to be carried out.

FIFTH.—That the amount to be bid at any sale of the property of the Company or any part thereof shall be in the discretion of the Committee; and in case the Committee shall not purchase the said property or any portion thereof, it may receive the dividends due on the securities held by it, from the proceeds of sale, and distribute the same, less the *pro rata* share of the expenses; the Committee may, however, in case of a sale in parcels, permit any parcel or any particular property to be sold, and use the proceeds for the benefit of the reorganization. The Committee is further authorized to alter or amend this plan and supply any defects or omissions therein, or to otherwise change the same, provided, however, that the amounts to be contributed by stockholders, or demanded from them, shall not be increased, nor shall any increase be made in the amount of bonds to be secured by the mortgage hereinbefore described, nor as to the amount thereof to be issued as is hereinbefore provided.

SIXTH.—The Committee shall offer to each and every stockholder the privilege of subscribing for the bonds so to be issued at the rate mentioned in the plan herein recited; and a syndicate or syndicates may be formed to carry out or make effective this plan, and to purchase the amount not subscribed for, and secure and guarantee the same. The Committee is authorized to dispose of any bonds of the said amount of \$1,500,000, or of any stock not taken, to said syndicate, as provided in this agreement, and further to pay such amount as shall in their judgment be necessary to any syndicate to guarantee the same, and may use the surplus or said \$1,500,000 of bonds for the purposes of said reorganization.

In case it becomes necessary to provide for fractions of shares or of bonds, in the distribution of the new securities, the Committee will make such adjustment and cause scrip certificates to be issued. The Committee shall have power, in case the plan be de-



clared effective, to acquire, compromise or adjust any outstanding bonds, claims or evidences of debt, to borrow any money required to carry out such adjustment, and to raise any necessary funds, and to pledge all or any of the securities in its hands as security for the repayment of such amount, or for any other purpose hereunder.

SEVENTH.—It is agreed, however, that the Committee shall assume no responsibility except to undertake, in good faith, to carry out the plan. They shall not be personally liable, except in case of willful malfeasance or gross neglect, nor for the acts of their agents or employees. The Committee shall act by a majority, and all acts of the majority shall be acts of the Committee. Any member of the Committee may resign, upon giving notice in writing to the other members of the Committee, and any member may become pecuniarily interested in any of the property or matters which are the subject of this agreement, and may become members of any syndicate to carry out the plan; and they shall be allowed reasonable compensation for their services.

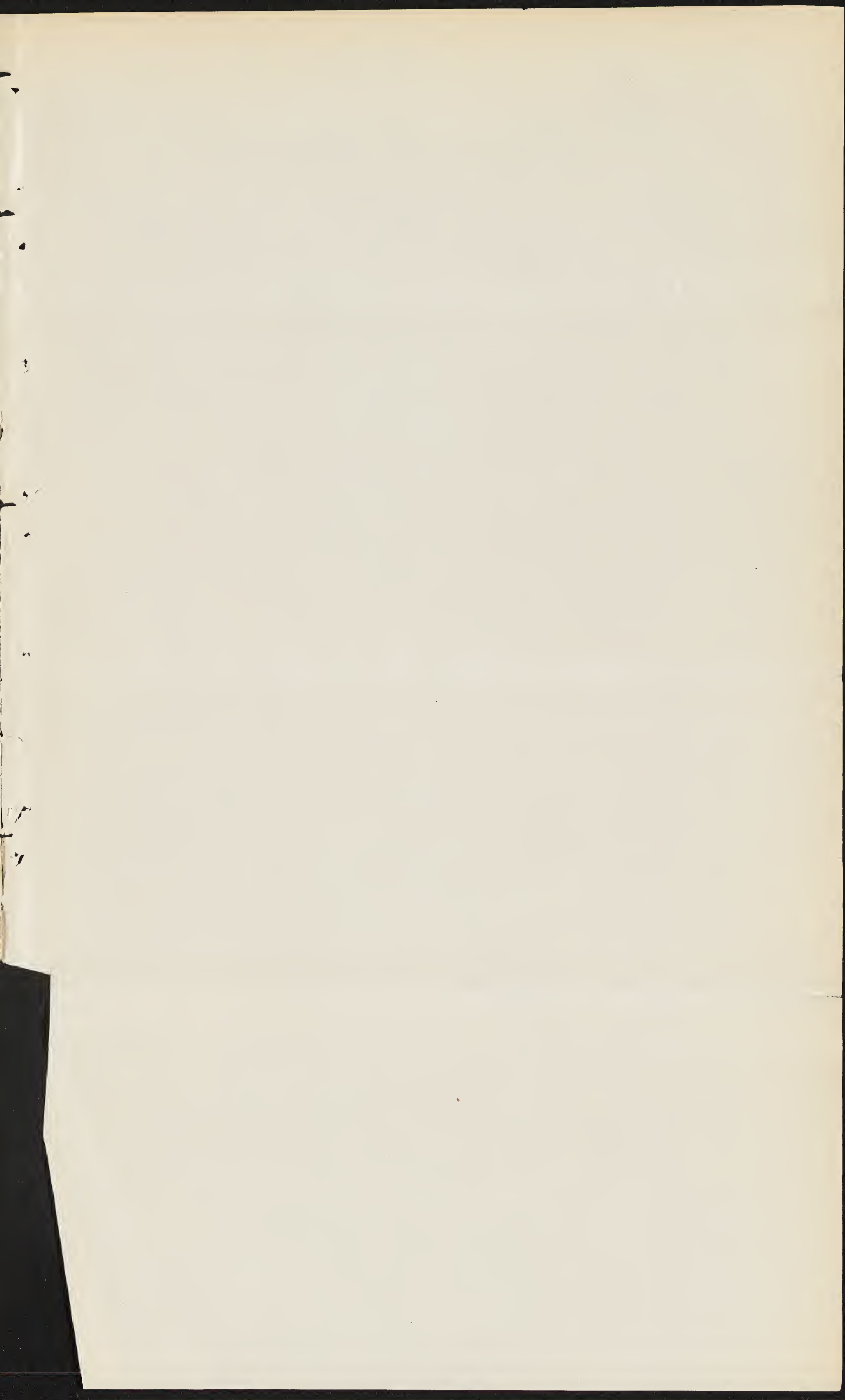
EIGHTH.—This agreement shall be printed and copies thereof, or a separate assent thereto, may be signed by the parties becoming parties thereto, but all of said copies of agreement so signed, or of said separate assents, shall be taken to constitute one original paper, and the deposit of stock hereunder without signatures shall make such depositor a party hereto.

This agreement shall bind the heirs, executors, administrators and assigns of the several parties assenting thereto, and such parties, by whatever name called, shall be held to include guardians and all persons acting in any fiduciary capacity, and in like manner all corporations.

IN WITNESS WHEREOF, we have hereunto set our hands the day and year first above written.

NAME.	ADDRESS.	AMOUNT.	NUMBERS.





THE DISTILLING AND CATTLE  
FEEDING COMPANY.

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REORGANIZATION AGREEMENT.

*Dated March 9, 1895.*

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MANHATTAN TRUST CO.,  
*Depositary,*

2 Nassau Street.

T. H. WENTWORTH,

*Secretary.*

NATHAN BIJUR,  
STRONG & CADWALADER,

*Counsel.*



# Plan and Agreement for the Reorganization

OF THE

## ERIE SYSTEM

INCLUDING

New York, Lake Erie and Western Railroad Company,  
New York, Pennsylvania and Ohio Railroad Company,  
Chicago and Erie Railroad Company.

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DATED AUGUST 20, 1895.

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**J. P. MORGAN & CO.,**

23 Wall Street,  
New York City,

**J. S. MORGAN & CO.,**

22 Old Broad Street,  
London,

} *Depositaries.*

C. H. COSTER,  
LOUIS FITZGERALD,  
ANTHONY J. THOMAS,

} *Reorganization Committee.*



NEW YORK, August 20th, 1895.

The operation of the entire

### ERIE SYSTEM

for the year ending September 30, 1894,\* cross-entries and worthless items being disregarded, resulted approximately as follows :

Gross earnings	\$28,800,000
Operating expenses & taxes	21,430,000
	<hr/>
	\$7,370,000
Other income (net)	\$160,000
Less rental Northern Railroad of New Jersey†	130,000
	<hr/>
	30,000
Net earnings	\$7,400,000
Fixed charges and rentals, about	\$9,400,000†

To bring about a condition of solvency and ultimate prosperity, holders of junior securities on various parts of the system must join in equitable and ratable concessions. The plan now submitted seeks to establish a community of interest between the holders of junior securities, to reduce to a minimum the burden of the concessions which it is necessary for them to make, and also to secure for this great system the utmost stability of value.

The Erie system is made up of the lines known as the New York, Lake Erie and Western, the New York, Pennsylvania & Ohio, and the Chicago and Erie Railroads. These two latter are operated by or for the Erie, upon its guaranty that a fixed proportion of their gross earnings shall be paid as net earnings, without regard to the actual results of the business. This arrangement is inherently weak, and develops a conflict of interests between three companies which ought to be close allies; and it also checks development and improvement (which are especially necessary in respect to the N. Y., P. & O.) as expenditures for such purposes are beyond the ability of the Erie, which has no *real* proprietary interest in these two lines, and no means of securing reimbursement for betterments upon them. The permanent removal of these troubles is most desirable. In order to remove them, and to establish the community of interests above referred to, the annexed plan proposes to consolidate, or otherwise unite, as therein set out, the three properties in one new corporation.

The existing financial condition of the system is disclosed by the following Tables in the Appendix :

- I. Mortgage debt of the New York, Lake Erie & Western Railroad Company.
- II. Mortgage debt of Erie Auxiliary Companies other than N. Y., P. & O.
- III. Mortgage debt, Equipment trusts and Stock issues of N. Y., P. & O.
- IV. Rentals of Leased Lines (other than those operated on Percentages).
- V. Stocks owned by New York, Lake Erie & Western Railroad Company.
- VI. Result of Operations of New York, Pennsylvania & Ohio Railroad Company.
- VII. " " " " Chicago & Erie Railroad Company.
- VIII. " " " " Erie and all subsidiary Companies.

The floating debt, including Receivers' debt, is about \$11,500,000 exclusive of Second Consolidated Mortgage and Funded Coupons in default.

\* These calculations, so far as they relate to some of the subordinate companies, are based upon their respective fiscal years ending at other dates. The Chicago and Western Indiana R. R., being a terminal company for various lines, is not included here or in the plan. All terminal charges are included in expenses.

† Throughout the plan, the Northern R. R. of New Jersey (26 miles) is treated as no part of the system.

† If interest had been paid on entire Floating Debt, fixed charges would have been about \$9,650,000.



## PRELIMINARY CONDITIONS OF PARTICIPATION UNDER THE PLAN.

### (a)

Participation under the plan of reorganization, in any respect whatsoever, by any stockholder or bondholder (as specified on pages 8 and 10), is dependent on his depositing his holdings with the Depositaries, Messrs. J. P. Morgan & Co., 23 Wall Street, New York, or Messrs. J. S. Morgan & Co., 22 Old Broad Street, London, within such time as may be allowed, and will embrace only securities so deposited. As to the preferred and common stock of the New York, Lake Erie and Western Railroad Company so deposited, participation is further dependent on the payment of assessments, as provided in the plan (see page 9). All securities for deposit must be in negotiable form.

The assessments on deposited stock will be payable to Messrs. J. P. Morgan & Co., New York, or Messrs. J. S. Morgan & Co., London, when and as called for by the Committee by advertisement at least twice a week for two weeks in two daily papers of general circulation published in the City of New York and in two similar papers published in London. All payments must be receipted for by one of the Depositaries on the reorganization certificates.

Failure to pay assessments when and as payable will subject the deposit, and all rights on account of any prior payments, to forfeiture.

Such bonds affected by the present plan as are already under the control of Messrs. J. P. Morgan & Co. or Messrs. J. S. Morgan & Co., pursuant to the authority given under the circular of Messrs. Drexel, Morgan & Co. and Messrs. J. S. Morgan & Co., dated December 10th, 1894, will be included in the present plan without further action by the depositors except that the Committee, in carrying out the plan, may require the exchange of existing receipts for new receipts issued hereunder. Should, however, any holder of now outstanding receipts for such securities so desire, the Depositaries will, upon surrender of the receipts of such holder, return the securities represented thereby, on or before September 30th, 1895, after which date all privilege of withdrawal will cease.

### (b)

**Messrs. C. H. Coster, Louis Fitzgerald and Anthony J. Thomas** have undertaken to act as a **Committee** for the purpose of carrying out the plan of reorganization. The duties, powers and rights of the Committee, in connection with deposited securities and otherwise, are set forth in the **Reorganization Agreement hereto attached** (see pages 29 to 36), **to which attention is invited.**



## PLAN OF REORGANIZATION.

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### THE NEW RAILROAD COMPANY.

A new Railroad Company will be created, or an existing charter or company will be used for the purpose of reorganization. The term "New Company," as hereinafter used, is intended to mean whatever company may finally be utilized to issue the new securities provided for in this plan. It is intended to vest in the New Company the ownership or control of substantially the entire Erie system, including the New York, Pennsylvania & Ohio Railroad and the Chicago & Erie Railroad, as acquired by the Committee at foreclosure sale or otherwise, except so far as the stocks and bonds acquired may be converted or otherwise dealt with in effecting the purposes of the plan.

The New Company will, so far as practicable, be vested with direct ownership of the various properties comprised in the system, thereby avoiding the necessity of keeping up the separate existence of a large number of the subsidiary companies controlled by the principal Company.

Pending their use for reorganization purposes, all bonds deposited hereunder will be delivered by the Depositaries to the Farmers' Loan and Trust Company of New York, as Custodian, or to such other Custodian as the Committee may appoint, to hold the same subject to the order and control of the Committee. All stocks and bonds deposited under the plan are to be kept alive for the present.

## New Stocks and Bonds.

### A.

THE NEW COMPANY is to create the following securities :

**1. First Consolidated Mortgage 100 Year Gold Bonds** limited in amount to **\$175,000,000.**

These bonds will be divided into two classes, viz. :

\$35,000,000, Prior Lien bonds.

\$140,000,000, General Lien bonds.

Both classes of bonds are to be secured by mortgage and pledge of all railroads and other properties of every kind embraced in the reorganization as carried out and vested in the New Company, and also all other property which shall be acquired thereafter by use of any of the new bonds. The *Prior Lien bonds* are, however, to have priority of lien over the *General Lien bonds* as to both principal and interest, and the rights and lien of the holders of the *Prior Lien bonds* are not to be affected by a foreclosure of the lien of the *General Lien bonds*.

If, for any reason, it shall be found more convenient, instead of one mortgage, two mortgages may be created, one to secure the "Prior Lien" bonds and the other to secure the "General Lien" bonds.

All the bonds will bear interest at 4% per annum, except \$29,433,000 of the General Lien bonds, which will bear 3% for 2 years from July 1st, 1896, and 4% thereafter.

Of the new General Mortgage bonds a large amount is to be reserved for future construction purposes, and \$92,668,000 are to be reserved so that they can be issued only to take up a like amount of the existing undisturbed bonds (Table B); but the right is reserved to extend, at not over 4% per annum interest, the present First Mortgage bonds of the Erie Company, maturing in 1897 (\$2,482,000), and now bearing 7%.

After the termination of the Voting Trust hereinafter provided for, all holders of the new bonds will have a right to vote on all questions at stockholders' meetings; each bond of \$1,000 rating as 10 shares of stock for voting purposes.

**2. Non-cumulative 4% First Preferred Stock** for **\$30,000,000**, which will entitle the holders to non-cumulative dividends up to four per cent. per annum, payable out of net earnings before any dividends shall be paid on the Second Preferred or the Common Stock.

**3. Non-cumulative 4% Second Preferred Stock** for **\$16,000,000**, which will entitle the holders to non-cumulative dividends up to four per cent. per annum, payable out of net earnings before any dividends shall be paid on the Common Stock.

**4. Common Stock** for **\$100,000,000.**

All the stock will be divided into shares of \$100 each.

**B.**

As a consideration for the property and securities to be conveyed or delivered to the New Company by the Committee, or which, pursuant to this plan, the Committee shall enable the New Company to acquire, it is contemplated that the New Company shall issue and deliver the foregoing bonds and stocks to the Committee or to its order, excepting the portions to be held against such of the existing securities as are not disturbed, and such final amounts as shall be reserved for the future use of the New Company.

The Committee will thus be enabled to provide for the requisite deliveries of the new securities to depositors and subscribers under the plan.

**C.**

All classes of stock of the new company (except such number of shares as may be disposed of to qualify directors) are to be vested in three or five Voting Trustees, who shall be appointed, on or before completion of reorganization, by Messrs. J. P. Morgan & Co. and Messrs. J. S. Morgan & Co. The stock shall be held by the Voting Trustees and their successors, jointly (under a trust agreement prescribing their powers and duties and the method of filling vacancies), for five years, and for such further period (if any) as shall elapse before the first preferred stock shall have received four per cent. cash dividend in one year, although the Voting Trustees may, in their discretion, deliver the stock at any earlier date. Until delivery of stock is made by the Voting Trustees, they shall issue certificates of beneficial interest entitling the registered holders to receive, at the time therein provided, stock certificates for the number of shares therein stated, and in the meanwhile to receive payments equal to the dividends collected by the Voting Trustees upon the number of shares therein stated, which shares, however, with the voting power thereon, shall be vested in the Voting Trustees until the stock shall become deliverable, as provided in such certificates of the Voting Trustees.

Provision is to be made so that no additional mortgage can be put upon the property to be acquired hereunder, nor the amount of the First Preferred Stock authorized under this Plan be increased, except with the consent, in each instance, of the holders of a majority of the whole amount of each class of Preferred Stock, given at a meeting of the Stockholders called for that purpose, and with the consent of the holders of a majority of such part of the Common Stock as shall be represented at such meeting, the holders of each class of stock voting separately; also that the amount of the Second Preferred Stock cannot be increased except with like consent by the holders of a majority thereof, and a majority of such part of the Common Stock as shall be represented at the meeting.

The New Company may reserve the right to redeem at any time either or both classes of its Preferred Stock at par in cash, if allowed by law.



**D.**

THESE NEW BONDS AND STOCK TRUST CERTIFICATES are intended to be used as shown in the accompanying Tables (subject only to such changes as may be necessary for the effective carrying out of the plan), viz.:

**BONDS.****1. Prior Lien bonds:**

For N. Y., P. & O. (see Table A) .....	\$14,400,000 00
“ Enlargement and improvement of Terminal facilities, including elevation of tracks at Jersey City, Buffalo and elsewhere, additional wharf facilities at New York, reducing grades, constructing double track and purchasing additional equipment (these bonds to be used only with the consent of the Voting Trustees, and all property acquired with these bonds, or their proceeds, to be brought under the lien of the new mortgage) .....	5,000,000 00
“ Sale to Syndicate (see Table A) .....	15,000,000 00
“ Contingencies (any surplus to go to the new Company) .....	600,000 00
	<hr/> \$35,000,000 00 <hr/>

**2. General Lien bonds:**

For Undisturbed bonds and guaranteed stocks, etc. (Table B) .....	\$92,668,000 00
“ Disturbed bonds and stock (Table A) .....	29,433,000 00
	<hr/> \$122,101,000 00 <hr/>
“ New construction, additions and betterments, additional equipment, etc., after 1897, under carefully guarded restrictions, not over \$1,000,000 to be used in any one year. All property acquired with these bonds or their proceeds to be brought under the lien of new mortgage .....	17,000,000 00
“ Contingencies (any surplus to go to the new Company) .....	899,000 00
	<hr/> \$140,000,000 00 <hr/>

**FIRST PREFERRED STOCK.**

For Disturbed bonds (Table A) .....	\$27,146,539 00
“ Contingencies (any surplus to go to the new Company) .....	2,853,461 00
	<hr/> \$30,000,000 00 <hr/>

**SECOND PREFERRED STOCK.**

For Disturbed bonds (Table A) .....	\$15,807,764 00
“ Contingencies (any surplus to go to the new Company) .....	192,236 00
	<hr/> \$16,000,000 00 <hr/>

**COMMON STOCK.**

For Disturbed bonds and stock (Table A) .....	\$94,823,000 00
“ Contingencies (any surplus to go to the new Company) .....	5,177,000 00
	<hr/> \$100,000,000 00 <hr/>

Subject only to the undisturbed bonds and stocks until retired by use of the bonds reserved for that purpose, or the rentals corresponding thereto, the new bonds and stocks will represent the ownership (either in fee or by possession of securities) approximately of

New York, Lake Erie and Western proper .....	538 miles
New York, Pennsylvania and Ohio .....	600* “
Chicago & Erie ¶ .....	250 “
New York, Lake Erie and Western Auxiliary Companies† .....	550 “

Total ..... 1,938 miles

with valuable terminal facilities at Jersey City, Weehawken, Buffalo, etc., and also one-fifth ownership in the stock of the Chicago and Western Indiana R. R. Co.

\* This includes about 169 miles of leased line, of which the ownership will not be acquired at once; but securities are reserved for its ultimate acquisition if practicable.

¶ This, of course, does not include the Chicago and Western Indiana R. R.

† This does not include leasehold interests in about 100 miles of road operated on a “percentage basis” or on

Also, All the Erie Coal properties, viz. :

Hillside Coal and Iron Company,  
 Blossburg Coal Company  
 Northwestern Mining and Exchange Company,

representing an aggregate of 10,500 acres of anthracite, of which about 9,000 acres are held in fee; also 53,000 acres of bituminous coal lands held in fee, and 14,000 acres of bituminous held under mineral rights.

Also, The Union Steamboat Company, with its terminal and other properties in Buffalo, and its fleet of five Lake Steamers, on which the Erie mainly depends for its "Lake and Rail" traffic. While, owing to mistaken methods of accounting, the Union Steamboat Company has heretofore shown a deficit—and the Erie proper correspondingly larger net earnings—the Union Steamboat Company is believed to be one of the soundest and most valuable corporations in the Erie System, and is almost essential to it.

The properties of the Newark & Hudson R. R. Co., Paterson & Newark R. R. Co., Union Steamboat Company and the Coal companies will be free of outstanding encumbrance, except a mortgage of \$400,000 on the Blossburg Coal lands for which bonds are reserved. Consequently, a pledge of their stocks, together with other valuable securities, under the mortgage of the New Company, will at once impart an element of strength to the new mortgage, which, by its provisions, as already stated, is intended ultimately to retire all mortgage debts of the entire Erie system including the N. Y., P. & O. and Chicago and Erie.

The first step towards these results is to provide for taking up the

Reorganization First Lien bonds (Erie)-----	\$2,500,000
Collateral Trust bonds (Erie) :-----	3,344,000
Floating debt (Erie and Chicago & Erie)-----	11,500,000
Equipment trusts (Erie), maturing in three years-----	2,000,000
	<hr/>
	\$19,344,000

The money required for this purpose and also the amount required for immediate improvements and additions will be raised by sale of securities to a Syndicate and by an assessment on the present capital stock.

Many of the bond issues of the Erie and its subsidiary Companies are perfectly good, and cannot be disturbed until their maturity. Therefore, reservation of New General Lien bonds is made to provide for them at maturity as per Table B, on page 11. This plan does not contemplate any enforced conversion prior to maturity of any of the securities for which a reservation is made in said Table B, and is not intended either to increase or to disturb their rights in any respect whatever.

Table B also shows the reservation of bonds, to provide for future Construction requirements.

An arrangement has been made with the New York, Pennsylvania and Ohio Railroad Voting Trustees, whereby, subject to ratification by their beneficiaries, they undertake, in consideration of securities as set forth in Table A, to foreclose and deliver the N. Y., P. & O. property, subject only to the prior lien, equipment and leased-line securities, for which reservation is made in Table B.

## DISTURBED SECURITIES AND BASIS OF EXCHANGE.

**The securities disturbed in this reorganization are :**

N. Y., L. E. & W.	Reorganization First Lien bonds (to be paid off in pursuance of the plan).	
do.	Collateral Trust Bonds	do.
do.	New Second Consolidated Mortgage Bonds and Second Consolidated Mortgage Funded Coupon Bonds.†	} All of which are to be exchanged for new securities as set forth in Table A.
do.	Funded Coupon 5s of 1885.	
do.	Incomes.	
do.	Preferred Stock.	
do.	Common "	
Chicago & Erie	Income Bonds.	

The method of dealing with the securities to be exchanged as above mentioned is set out in detail in Table A, on p. 10, and it is believed that the same will commend itself to the security holders whom it affects.

**The basis of their exchange** is as follows :

Holders of	Receive :			
	New General Lien bonds.	First Preferred Stock.†	Second Preferred Stock.†	Common Stock.†
N. Y., L. E. & W. Second Consols¶	75%	55%		
do. Funded Coupon 5s of 1885¶	100%	10%	10%	
do. Incomes¶	40%	60%		
do. Preferred Stock (on payment of assessment as stated on page 9)			100%	
N. Y., L. E. & W. Common Stock (on payment of assessment as stated on page 9)				100%
Chicago & Erie Income Bonds¶			100%	

The foregoing percentages are based upon the principal amount of the bonds. Bonds must be deposited with all unpaid coupons, and no further allowance will be made for coupons.

These new bonds will be for \$1,000 each. Interest will start from July 1st, 1896 (first coupon to mature January 1st, 1897), and will be at 3% per annum for two years, and 4% thereafter. Equitable cash settlement will be made for fractional amounts of new bonds and of stock accruing to depositors.

¶ These two classes of bonds are generally known as "Second Consols."

¶ With all unpaid coupons attached.

† Trust certificates.



**The assessments** on the stock of the N. Y., L. E. & W. R. R. Co. (" Erie ") are fixed at \$12 per share on preferred stock and \$18 per share on common stock ; but, as prompt deposit of the securities and an early payment of a considerable assessment fund are important, a deduction of \$4 per share on the preferred stock and \$6 per share on the common stock will be allowed on account of the assessments above mentioned to such depositors as deposit their stock within a short period discretionary with the Committee, and also pay the assessment less such deduction within the dates hereafter to be fixed by advertisement, such payment to be in four instalments at least 30 days apart. Such depositors will thus obtain participation in the reorganization upon the payment of

**\$8 per share on the preferred stock.**

**\$12 per share on the common stock.**

Stockholders who do not comply with all these conditions must pay the entire assessment without deduction at the time of depositing their stock.

Effort has been made to impart to the new preferred stocks substantial value by limiting their amount and by a very large reduction of fixed charges. As now proposed, each of them should be good of its kind, as may be seen from the calculations submitted on pp. 12 and 13.

**A Syndicate** of \$25,000,000 in money has been formed to subscribe for \$15,000,000 of the Prior Lien bonds of the New Company, and to take the place and succeed to all the rights of holders of preferred and common stock of the New York, Lake Erie and Western Railroad Company who shall not deposit their stock and pay the assessments thereon.

The compensation of Messrs. J. P. Morgan & Co. and Messrs. J. S. Morgan & Co. for their services as Depositaries and in carrying out the plan has been fixed at \$500,000, in addition to all expenses incurred.

TABLE A.

## Proposed Readjustment with Disturbed Bonds and Stocks.

Basis of Readjustment.												
	Present Amount.	New Prior Lien.		New General Lien.*		New Interest.	1st Pfd. Stock. 4% non-cumulative. Trust certificates.		2d Pfd. Stock. 4% non-cumulative. Trust certificates.		Common Stock.	
		Per cent.	Amount.	Per cent.	Amount.		Per cent.	Amount.	Per cent.	Amount.		
						4's.					3% for 2 years, 4% thereafter.	
NOTE.—The percentages of new securities are based and figured upon the principal amount of the bonds, and bonds must be deposited with all unpaid coupons; no further allowance will be made for coupons.												
Second Consolidated Mortgage Bonds†	(Erie)											
Second Consolidated Funded Coupon Bonds†				75%	\$25,198,050*	\$1,007,922	55%	\$18,478,570				
Funded Coupon bonds of 1885† (Erie)				100%	4,031,640*	161,265	10%	403,164	10%	403,164		
Income bonds† (Erie)				40%	203,203*	8,128	60%	304,805				
Trustees of N. Y., P. & O. † (on payment of \$742,320)			14,400,000			576,000		7,960,000		1,368,000		16,986,000††
Income Bonds† (Chicago & Erie)									100%	5,500,000		
Preferred Stock (Erie) on payment of assessment									100%	8,536,600		
Common Stock (Erie) on payment of assessment											100%	77,837,000
To be sold to a Syndicate to provide for:												
Floating debt, Receivers' Certificates, etc												
Collateral Trust bonds (Erie) @ 110%												
Reorganization First Lien Bonds (Erie)						600,000						
Early construction requirements (system) and expenses			15,000,000									
Car trusts for 3 years												
Less contributed by stockholders**												
Less contributed by N. Y., P. & O.												
			\$29,400,000		\$29,432,893	\$2,353,315		\$27,146,539		\$15,807,764		\$94,823,000

† All unpaid coupons to be attached.

† On delivery of the N. Y., P. &amp; O. Railroad and property (see page 7). Interest on new bonds to be adjusted from January 1st, 1896, with proper deduction for rental payments.

\*\* This is the net assessment if all come in promptly.

†† This includes \$6,186,000 Common Stock set apart for delivery by the Trustees of the N. Y., P. &amp; O. to holders of securities junior to the First Mortgage bonds (on such basis as

TABLE B.

# Ultimate Provision for All Undisturbed Bonds and Stocks, and for Requirements for Construction after 1897.

	Present Situation.		Ultimate Provision.	
	Amount.	Interest.	4% General Lien. Bonds.	Interest.
I.				
To provide at or before maturity for existing bonds and stocks held by public on Erie } proper (see Table I. of Appendix), except Collateral Trust Bonds, Prior Lien } Bonds, Second Consolidated Mortgage Bonds, Second Consolidated Mortgage } Funded Coupon Bonds, Funded Coupon Bonds of 1885, Income Bonds -----	33,663,077	2,192,727	35,663,077	1,426,523
To provide for \$2,000,000 Erie Car Trusts, maturing in or after 1898 -----	2,000,000			
" " at or before maturity for Prior Lien Bonds of N. Y., P. & O. -----	8,000,000	360,000	8,000,000	320,000
" " for Car Trust Bonds N. Y., P. & O. -----	2,000,000	100,000	2,000,000	80,000
" " at or before maturity for First Mortgage Bonds of Chicago & Erie -----	12,000,000	600,000	12,000,000	480,000
" " " " Bonds of Erie's Subsidiary Companies -----	23,041,300	1,379,986	23,041,300	921,652
" " " " " and Stocks of N. Y., P. & O. Subsidiary Companies -----	6,268,450	571,606	10,663,400	426,536
" " " " " Terminal Bonds " Chicago & Atlantic -----	300,000	15,000	300,000	12,000
" " " " " for various outstanding stocks (represented by "rentals") -----			1,000,000	40,000
(See Tables I, II. and III. of Appendix).			92,667,777	3,706,711
II.				
To provide for construction, additions to property, etc., see page 6, not over \$1,000,000 to be used in any one year -----			17,000,000*	680,000
	\$87,272,827	5,219,319	109,667,777	4,386,711

\*In addition to the above, \$5,000,000 Prior Lien bonds are reserved for Special Construction purposes, as set forth on page 6.



### Comparative Fixed Charges.

The fixed charges of the Erie System for 1894 (see page 1) amounted to about... \$9,400,000  
 Under this plan they will amount to about ..... 7,850,000†

Making a reduction of about ..... \$1,550,000

For the first two years after reorganization they will be further reduced by about \$300,000 per annum, as the New General Lien bonds will, during that period, bear only 3% per annum interest.

The ultimate substitution of 4% bonds for those now bearing a higher rate of interest will further reduce the fixed charges by about \$1,000,000. This feature cannot, however, be brought about for a long time, as most of the undisturbed bonds are of distant maturity.

The plan also provides for such moderate expenditures on Capital account in the early future and for a long series of years as shall be necessary for the regular and steady development of the property; and to the above figures must, of course, be added interest on bonds which may be issued for this purpose.

The absence of any such provision for capital expenditures has always been one of the chief sources of embarrassment of the Erie system, and has made it impossible for that system to keep up with its competitors, or to adapt itself to handling business with that economy which the character of its traffic renders essential, if satisfactory results are to be secured. The system traverses a territory which affords a relatively small proportion of non-competitive traffic, and a large part of the revenue comes from "through" freight and from coal and iron on which low rates prevail at all times, and on which the rates are always among those most seriously affected in times of prolonged depression.

This plan, in order that its benefits shall be permanent, seeks to enable the Company successfully to meet these periods of depression when they come.

With this in view, the fixed charge for the years ending June 30th, 1897 and 1898 is reduced to about \$7,550,000 per annum, a sum nearly equalled by the net earnings of the property in 1893-4—one of the worst years the country has ever known, and one in which this property was operated under great disadvantages.

Furthermore, in the new fixed charge is included the interest on a large sum of money intended to be spent immediately after reorganization in improving and adding to the property, and in purchasing modern equipment. This expenditure should enable the Company to enlarge its business, and also to transact it with greater economy than heretofore; circumstances which readily justify the slight increase of fixed charges after July 1st, 1898, as set forth above, to say nothing of the increased revenue likely to ensue from improved commercial conditions throughout the country.

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† Made up as follows: Table A..... \$2,353,000  
 " B..... 5,219,000  
 Sundry Rentals (see Table IV.).. . 283,000  
 \$7,855,000

**On the basis of the proposed plan**, calculating interest at the maximum rate of 4% on the New General Lien bonds which will be outstanding when the reorganization is completed, it is estimated that the real net earnings of the entire Erie System for the years indicated below (being the period since the Funding Scheme of 1885 was carried into effect) would have shown the following amounts available for dividends on the new *Preferred stocks* :

Year ending Sept. 30th.	Amount. *
1887.....	1,500,000
1888.....	1,500,000
1889.....	1,700,000
1890.....	1,800,000
1891.....	2,000,000
1892.....	1,600,000
1893.....	2,200,000
1894.....	<i>Def.</i> 450,000
	<u>\$11,850,000</u> in 8 years,
equal to an average of about.....	\$1,500,000 per annum
An annual 4% dividend on the proposed First Preferred Stock would	
require .....	1,200,000 "
<i>Leaving</i> .....	<u>\$300,000</u> per annum

which would equal nearly 2% dividend on the proposed Second Preferred Stock.

At first sight it would seem as if this surplus were large enough to justify a more liberal bond issue. It is better, however, to limit the issue to an amount which shall be safe under the worst known conditions, and to create a new first preferred stock likely, after a short time, to receive dividends and a second preferred stock with reasonable prospect of dividends.

This course is also desirable from the fact that, in the eight years ending June 30, 1894, \$7,715,044 of gross earnings have come from trackage paid by Lehigh Valley Ry. Co., and other sources now discontinued, and can be made up in future only from the development of new business. This revenue has been :

1887.....	\$1,131,926
1888.....	1,117,031
1889.....	1,209,103
1890.....	1,300,780
1891.....	1,511,907
1892.....	1,537,565
1893.....	106,732
1894.....	nil.
Total.....	<u>\$7,715,044</u>

Of this total it is safe to say that from 60% to 75% was net revenue.

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\* For the purpose of comparison, there is included in the above figures \$400,000 net per annum for the Chicago and Erie during the years in which it was not built or not included in the system.





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# APPENDIX.

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TABLE I.

## Mortgage debt of New York, Lake Erie &amp; Western Railroad Company.

Bonds.	Principal.	Date of Maturity.	Rate.	Due.	Amount of Interest.
First Mortgage Bonds.....	\$2,482,000 00	May 1, 1897.....	7% Currency..	May and November....	\$173,740 00
Second Mortgage Bonds.....	2,149,000 00	September 1, 1919..	5% Gold.....	March and September..	107,450 00
Third Mortgage Bonds.....	4,617,000 00	March 1, 1923.....	4½% Gold.....	March and September..	207,765 00
Fourth Mortgage Bonds.....	2,926,000 00	October 1, 1920.....	5% Gold.....	April and October.....	146,300 00
Fifth Mortgage Bonds.....	709,500 00	June 1, 1928.....	4% Gold.....	June and December....	28,380 00
Buffalo Branch Mortgage Bonds.....	182,600 00	July 1, 1921.....	4% Gold.....	January and July.....	7,304 00
First Consolidated Mortgage Bonds.....	16,891,000 00	September 1, 1920..	7% Gold.....	March and September..	1,182,370 00
First Consolidated Funded Coupon Bonds.....	3,705,977 10	September 1, 1920..	7% Gold.....	March and September..	259,418 39
<i>Bonds not disturbed in plan.....</i>	<i>\$33,663,077 10</i>				<i>\$2,112,727 39</i>
Reorganization First Lien Bonds.....	2,500,000 00	December 1, 1908..	6% Gold.....	May and November....	150,000 00
Second Consolidated Mortgage Bonds*.....	25,000,000 00	December 1, 1969..	6% Gold.....	June and December....	1,500,000 00
Second Consolidated Funded Coupon Bonds*..	8,597,400 00	December 1, 1969..	6% Gold.....	June and December....	515,844 00
Collateral Trust Bonds.....	3,344,000 00	November 1, 1922..	6% Gold.....	May and November....	200,640 00
Funded Coupon Bonds of 1885.....	4,031,640 00	December 1, 1969..	5% Gold.....	June and December....	201,582 00
Income Bonds.....	508,008 00	June 1, 1977.			
	\$77,644,125 10				\$4,680,793 39

\* These two issues, \$33,597,400, constitute the bonds generally known as "Second Consols."



+ There are also various other bonds on the N. Y. and G. I. R. R. which are all in default; and are not included.  
 \* Also controlled by ownership of stock (see Table A, on page 55).  
 The properties indicated as "Rented," are rented to the Erie. Interest on their bonds is included in the Statement of Rentals in Table IV, on page 31.

+ All pledged for bonds and debts.  
 + All pledged for bonds and debts.

Terminal Bonds C. & A. R. R. Co.	2%	300,000	1st	1918	---	300,000	12,000
Income "	---	10,000,000	Oct 1st	"	---	2,200,000	600,000
First Mortgage	2%	15,000,000	1st	1925	---	15,000,000	1,320,000
Chicago & Erie Railroad Company:							
Elmira State Line	4%	160,000	Oct 1st	1902	---	160,000	11,500
Livingston	4%	152,000	Nov 1st	1896	---	152,000	8,120
Livingston Extension	4%	562,000	Oct 1st	1902	---	562,000	18,220
First Mortgage	2%	530,000	Nov 1st	1912	---	530,000	11,212
Livingston Railroad:							
N. Y. & Greenwood Lake R.R.	2%	200,000	1st	1915	---	200,000	52,000
Biospring Coal Co.	2%	400,000	Nov 1st	1912	---	400,000	50,000
Buffalo & South Western R. R. (on percentage)	2%	1,200,000	Dec 1st	1901	---	1,200,000	30,000
Staten Island Bridge & Erie Junction R. R.	4%	1,000,000	1st	1900	32,000	1,000,000	62,220
N. Y. T. E. & W. Coal & Railroad Co.	2%	3,000,000	1st	1935	1,000,000	1,100,000	60,000
N. Y. T. E. & W. Dock & Improvement Co. Rented	2%	4,000,000	1st	1913	604,000	3,396,000	503,120
Bastion & Newark R. R. (owned by "Erie")	4%	200,000	1st	1918	200,000	---	---
Newark & Hudson R. R. (owned by "Erie")	4%	320,000	1st	1901	320,000	---	---
Middleton & Crawford R. R.	4%	60,000	1st	1931	21,500	---	---
Bergen County R. R.	4%	500,000	1st	1931	---	---	---
Lockport & Buffalo R.R.	4%	140,000	1st	1911	---	---	---
Buffalo, Buffalo & Bitternigh R. R.	4%	280,000	1st	1934	---	---	---
Jefferson Branch R. R.	4%	280,000	1st	1936	182,000	---	---
Honesdale Branch R. R.	4%	380,000	1st	1935	---	---	---
Gothen and Deckertown R. R.	4%	304,000	1st	1934	---	---	---
Montgomery and Erie R. R.	4%	60,000	1st	1935	---	---	---
Buffalo, New York and Erie R. R.	4%	182,000	1st	1938	---	---	---
Newburgh & New York R. R.	4%	40,000	1st	1938	---	---	---
Long Dock Company	4%	130,000	1st	1934	---	---	---
	4%	538,000	1st	1916	---	---	---
	4%	520,000	1st	1936	---	---	---
	4%	1,200,000	1st	1932	---	---	---

Total interest on bonds and debts

Companies.

Rate.

Principal.

Due.

"Erie" owned by

held by

on bonds and interest charge

Mortgage Debt of Erie Auxiliary Companies other than N. Y. & O.

TABLE II.

TABLE III.

## New York, Pennsylvania &amp; Ohio R. R.

	Principal.	Rate.	Fixed Charges.
FUNDED DEBT:			
Prior Lien Bonds .....	\$8,000,000 00	4½% from Mch. 1, 1895.	360,000 00
First Mortgage Bonds .....	72,000,000 00	7%	
Second Mortgage Bonds .....	13,680,000 00	5 if earned.	
Third Mortgage Bonds .....	29,000,000 00	5% if earned.	
	<u>\$122,680,000 00</u>		
Preferred Stock .....	\$10,000,000 00		
Common Stock .....	<u>35,000,000 00</u>		
RENTALS as per annual report for 1894 :			
Cleveland & Mahoning Valley R. R. ....		521,468 01	
Sharon Railway .....	36,426 00		
less dividend on stock .....	<u>2,340 00</u>		
		34,086 00	
Westerman R. R. ....		4,000 00	
New Castle & Shenango Valley R. R. ....		<u>8,936 21</u>	
			568,490 22
CAR TRUSTS as per annual report for 1894 :			
London Equipment Trust of 1888 .....		97,441 73	
N. Y. P. & O. do. do. 1890 .....		102,317 06	
Hire of 20 Locomotives, etc. ....		12,175 56	
Hire of Refrigerator Cars .....		<u>34,960 83</u>	
		246,895 18	
Less interest from N. Y., P. & O. Equipment Trust, 1890 .....		<u>10,000 00</u>	
			236,895 18
EXPENSES as per annual report for 1894 :			
Rent of Docks, Lots, Water Rights, etc. ....		30,133 29	
General Expenses .....		5,597 30	
Taxes .....		3,560 69	
London Agency Expenses .....		25,117 81	
Current Expenses of the Company .....		<u>57,281 50</u>	
		121,690 59	
Less Rent of Equipment on Ore Docks,			
Cleveland .....	22,305 12		
" Interest and Exchange .....	<u>3,751 50</u>		
		26,056 62	
			95,633 97
			<u>\$1,261,019 37</u>

**Stocks and Bonds of the Companies under rental to the New York,  
Pennsylvania and Ohio R. R.**

(Included in Preceding Table.)

**CLEVELAND & MAHONING VALLEY R. R. :**

Capital Stock.....		2,759,200 00
Funded Debt, First Mortgage @ 7%.....	654,000 00	
Second do. 7%.....	487,900 00	
Consol. do. 5%.....	1,500,000 00	
		2,641,900 00
Annual Rental (payable monthly in advance) \$514,180.		
Being Interest on Bonds.....	154,933 00	
Expenses & Taxes.....	17,013 00	
Dividend 12 $\frac{1}{4}$ % on Stock.....	338,002 00	
Surplus.....	4,232 00	
	514,180 00	

**SHARON RAILWAY :**

Capital Stock.....	453,350 00
Funded Debt @ 4 $\frac{1}{2}$ %.....	164,000 00
Annual Rental \$36,426.	

Being Interest on Bonds, 6% on Stock and expenses of organization.

**WESTERMAN COAL & IRON R. R. Co. :**

This is a private road.  
Annual Rental fixed at \$4,000.

**NEW CASTLE & SHENANGO VALLEY R. R. :**

Capital Stock.....	292,250 00
Funded Debt @ 6%.....	250,000 00
Rental, 32% of Gross Earnings; the interest on Bonds (\$15,000.00) is guaranteed by the N. Y., P. & O. Co.	



TABLE IV.

**Rentals of Leased Lines (Other than Those Operated on Percentages).**

	1893.	1894.
Paterson and Hudson R. R. Co.-----	\$48,400 00	\$48,400 00
Paterson and Ramapo R. R. Co.-----	30,000 00	30,000 00
Newburgh and New York R. R. Co.:		
5% on \$250,000 Bonds-----	12,500 00	12,500 00
* Buffalo, New York and Erie R. R. Co.:		
7% on \$950,000 Stock-----	66,500 00	
7% on \$2,380,000 Bonds-----	166,600 00	
Organization Expenses-----	5,000 00	
	238,100 00	238,100 00
Montgomery and Erie R. R. Co.-----	16,000 00	16,000 00
Goshen and Deckertown R. R. Co.-----	19,035 00	19,035 00
Hawley Branch R. R., Rental-----	50,000 00	50,000 00
* Honesdale Branch R. R.:		
4½% on \$204,000 Jefferson R. R. Bonds-----	9,180	
6% on \$96,000 " " "-----	5,760	
	14,940 00	14,940 00
* Jefferson Branch R. R.:		
5% on \$2,800,000-----	140,000 00	140,000 00
Rochester and Genesee Valley R. R. Co.:		
6% on \$555,200 Stock-----	33,312 00	
Organization Expenses-----	700 00	
	34,012 00	34,012 00
Avon, Genesee and Mt. Morris R. R. Co.:		
6% on \$225,000 Stock-----	13,500	
Organization Expenses-----	100	
	13,600 00	13,600 00
* Buffalo, Bradford & Pittsburgh R. R. Co.:		
7% on \$580,000 Bonds-----	40,600 00	40,600 00
Lockport and Buffalo Ry. Co.-----	21,000 00	21,000 00
* Bergen County R. R. Co.:		
6% on \$200,000 Bonds-----	12,000 00	12,000 00
* Middletown and Crawford R. R. Co.-----	10,500 00	10,500 00
* Newark and Hudson R. R. Co.:		
7% on \$250,000 Bonds-----	17,500 00	17,500 00
* Patterson and Newark R. R. Co.:		
7% on \$500,000 Bonds-----	35,000 00	35,000 00
* Long Dock Company-----	470,000 00	450,000 00
* N. Y., L. E. & W. Docks and Improvement Co.:		
6% on \$4,000,000 Bonds-----	240,000 00	240,000 00
* N. Y., L. E. & W. Coal and Railroad Co.:		
6% on \$3,000,000 Bonds-----	\$180,000 00	\$180,000 00
New Jersey Junction R. R. Co.-----	6,001 00	6,001 00
* Suspension Bridge and Erie Junction R. R. Co.-----	70,000 00	70,000 00
	\$1,719,188 00	\$1,699,188 00
Less bond interest of leased lines included in Table II.-----	1,435,225 00	1,415,225 00
Rentals other than Bond Interest-----	\$283,963 00	\$283,963 00

\* Also controlled by ownership of stock. See Table V. on page 22.

TABLE V.

**Stocks Owned by New York, Lake Erie and Western Railroad Company.**

Name of Company.	Par.	Total Capital.	Owned by Erie.	Owned by Public.
		Shares.	Shares.	Shares.
Bergen County R. R. Co.....	\$100	2,000	2,000	
Long Dock Co.....	100	8,000	8,000	
Buffalo Creek R. R. Co.....	100	2,500	1,250	1,250*
N. Y., Lake Erie & Western Docks & Improve- ment Co.....	100	6,040	6,040	
Erie & Wyoming Valley R. R. Co.....	50	30,000	14,800	15,200**
Newark & Hudson R. R. Co.....	100	2,500	2,500	
Paterson & Newark R. R. Co.....	50	5,000	5,000	
Suspension Bridge & Erie Junction R. R. Co.....	100	5,000	4,992	8
Buffalo, Bradford & Pittsburgh R. R. Co.....	100	22,864	21,899	965
Middletown & Crawford R. R. Co.....	50	2,444	1,600	844
Jefferson R. R. Co.....	50	41,909	41,909	
Chicago & Erie R. R. Co.....	100	1,000	1,000	
†Pavonia Ferry Co.....	100	1,000	1,000	
†Erie International Ry. Co.....	100	500	500	
Conesus Lake R. R. Co.....	50	375	375	
Nyack & Northern R. R. Co.....	100	748	161	587
New Jersey & New York R. R. Co.....	100	22,286	408	21,878
New York & Greenwood Lake R. R. Co.....	50	2,000	200	1,800
†Union Steamboat Co.....	100	10,000	10,000	
†Hillside Coal & Iron Co.....	100	10,000	10,000	
Blossburg Coal Co.....	100	10,000	10,000	
†Northwestern Mining & Exchange Co.....	100	5,000	5,000	
Buffalo, N. Y. & Erie R. R. Co.....	100	9,500	5,759	3,741

The Companies indicated thus (†) have no mortgage debt.

Substantially all the above securities owned by the Erie are pledged for bonds, loans, &c.

\* Owned by Lehigh Valley Railroad Company.

\*\* Owned by Pennsylvania Coal Company.

TABLE VI.

## Result of Operations of New York, Pennsylvania &amp; Ohio Railroad.

	Rentals paid to N. Y., P. & O. R. R.
1885 .....	\$1,621,044 79
1886 .....	1,971,554 14
1887 .....	2,036,840 61
1888 .....	2,040,949 41
1889 .....	2,045,216 58
1890 .....	2,227,150 61
1891 .....	2,185,142 71
1892 .....	2,219,258 45
1893 .....	2,257,067
1894 .....	1,899,093 66
Totals .....	\$20,503,317 96

The results of operating the *New York, Pennsylvania and Ohio Railroad*, under the provisions of the lease, from its commencement *May 1st, 1883*, to *December 31st, 1894*, have been as follows :

Profit for the first five months to September 30, 1883 .....	\$199,540 21
Loss for the year 1884 .....	\$270,281 25
Loss for the year 1885 .....	239,820 59
Profit for the year 1886 .....	51,322 08
Profit for the year 1887 .....	91,965 73
Loss for the year 1888 .....	343,911 61
Loss for the year 1889 .....	331,134 88
Profit for the year 1890 .....	77,376 13
Loss for the year 1891 .....	19,586 47
Loss for the year 1892 .....	425,888 39
Loss for the year 1893 .....	197,106 45
Loss for the year 1894 .....	707,399 23
Making a total loss of .....	\$2,114,924 72

Three months ending December 31st, 1894 :

Gross earnings .....	\$1,639,577 63
Expenses .....	1,201,031 46
Net Earnings .....	\$438,546 17
Proportion due Lessor Company .....	524,664 84
Loss .....	86,118 67

Making the loss for the entire period .....

\$2,201,043 39



**TABLE VII.**  
**Result of Operations of Chicago and Erie Railroad.**

	Ten Months to June 30th, 1891.	Year ending June 30th, 1892.	Year ending June 30th, 1893.	Year ending June 30th, 1894.	Six Months to December 31st, 1894.	Total.
Gross Earnings -----	\$2,159,429 80	\$2,886,582 53	\$2,916,901 40	\$2,990,671 62	\$1,229,804 76	
Operating Expenses, including all taxes -----	1,796,595 96	2,801,292 40	2,596,821 53	2,592,912 48	1,111,631 30	
Net Earnings -----	\$362,833 84	\$85,290 13	\$320,079 87	\$397,759 14	\$118,173 46	
Income from other sources :						
Dividend C. & W. I. R. R. Stock -----	10,000 00	45,000 00	45,000 00	60,000 00	45,000 00	
do. Belt Ry. of Chgo. do. -----	-----	-----	10,800 00	3,600 00	3,600 00	
Interest -----	-----	-----	-----	378 44	-----	
	\$10,000 00	\$45,000 00	\$55,800 00	\$63,978 44	\$48,600 00	
	\$372,833 84	\$130,290 13	\$375,879 87	\$461,737 58	\$166,773 46	
Deductions from Income :						
Interest First Mtge. Bonds -----	342,959 66	473,420 60	600,000 00	600,000 00	300,000 00	
do. Terminal do. -----	10,000 00	12,000 00	12,000 00	15,000 00	7,500 00	
do. Income do. -----	196,897 79	320,389 59	202,147 89	222,434 70	2,391 77	
do. on Equipment, &c. -----	4,029 35	23,627 31	1,781 38	-----	-----	
	\$553,886 80	\$829,437 50	\$815,929 27	\$837,434 70	\$309,891 77	
Deficit -----	\$181,052 96	\$699,147 37	\$440,049 40	\$375,697 12	\$143,118 31	\$1,839,065 16

TABLE VIII.

## Results of Operation of Erie and Subsidiary Companies since the Reorganization of 1878.

Year	N. Y., L. E. & W. R. R. Co., as per annual reports. Surplus or Deficit.	Chicago & Erie R. R. Deficit.	Erie Coal Company. Surplus or Deficit.	Union Steamboat Co. Surplus or Deficit.	Tioga R. R. Surplus or Deficit.	N. Y., L. E. & W. Coal & R. R. Surplus or Deficit.	Grand Total. Surplus or Deficit.	Amounts received for Trackage, etc., etc., † included in Erie Surplus
Year 1878	\$625,431 77		\$92,624 10	\$87,407 31			\$805,463 18	\$124,662 53
1879	1,316,104 85		170,903 92	113,195 02			1,600,203 79	87,827 13
1880	1,790,620 71		172,840 72	224,037 43			2,187,498 86	106,570 10
1881	1,887,417 74		255,884 71	52,480 75			2,090,821 70	103,868 15
1882	1,166,642 02		228,053 42	21,953 34	\$243,406 38		1,660,055 16	160,989 65
1883	1,265,484 98		372,556 63	78,270 00	123,130 61	\$4,173 15	1,843,615 37	182,979 76
1884	698,622 95		323,831 42	119,173 10	73,958 72	101,716 34	521,722 25	473,647 57
1885	1,376,943 55		229,129 67	119,056 96	100,569 14	72,734 10	1,239,035 80	640,939 69
1886	14,610 95		89,727 21	15,342 01	101,691 82	53,227 13	41,993 58	797,369 38
1887	601,799 18		5,013 66	29,040 86	27,844 91	23,853 74	619,443 31	1,131,925 73
1888	738,842 52		8,303 05	155,514 86	16,585 69	47,721 87	655,938 27	1,117,031 02
1889	774,776 45		24,897 51	311 90	74 27	30,796 81	781,061 92	1,209,103 87
1890	860,254 04		145,301 17	174,351 27	4,178 61		544,780 21	1,300,780 49
1891	1,005,377 80	181,052 96	13,569 06	137,995 91	5,231 56		677,991 43	1,511,907 85
1892	733,259 88	699,147 37	22,648 33	198,389 73	1,994 96		184,930 59	1,537,565 89
1893	917,438 20	440,049 40	22,996 91	184,823 73	856 32		314,695 66	106,732 66
1894	1,167,407 05	375,697 12	12,085 62	203,217 36	43,278 48		*1,690,957 43	
Totals for 17 years	\$10,455,087 54	\$1,695,946 85	\$1,588,053 23	\$864,221 54	\$741,088 83	\$121,132 00	\$10,102,929 21	\$10,593,901 47

\* This deficit would be increased if interest on bills payable were included.

† See page 13.





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# AGREEMENT.

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**An Agreement**, made this twentieth day of August, 1895, between C. H. COSTER, LOUIS FITZGERALD and ANTHONY J. THOMAS (hereinafter called the Committee), *parties of the first part*, and Holders of stocks or bonds of the NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY or CHICAGO AND ERIE RAILROAD COMPANY (which, together with the New York, Pennsylvania and Ohio Railroad Company, are hereinafter called the "Erie Companies"), who have become or shall become parties to this agreement, *parties of the second part*:

The foregoing plan having been proposed for the reorganization of the affairs of the Erie Companies as above described.

**This Agreement Witnesseth**: That each and every person or party who shall have deposited with the Depositaries hereunder any stock, bond or other obligation of the New York, Lake Erie and Western Railroad Company, or Chicago and Erie Railroad Company, as hereinafter provided, hereby promises and agrees to and with the Committee and every other party hereto, and to and with the Depositaries; and the Committee and the Depositaries, respectively, do reciprocally promise and agree as follows:

FIRST. A printed copy of this agreement, certified by a majority of the Committee and lodged with the Depositaries, shall be held and taken as the original agreement. The said plan is, and shall be, taken to be a part of this agreement, with the same effect as though each and every provision thereof had been embodied herein, and said plan and this agreement shall be read as parts of one and the same paper.

Depositors of securities shall receive receipts or certificates of deposit in a form to be approved by the Committee, specifying the securities deposited and assessments paid thereon, and all rights of the depositors in respect of such deposits shall be such only as are evidenced by such receipts or certificates; and thereafter the holder of any such receipt or certificate, or of any receipt or certificate issued in lieu thereof or in exchange therefor, shall be subject to this agreement and entitled to have and exercise the rights of the original depositor under the receipt or certificate issued to him in respect of the securities therein mentioned.

The respective receipts and certificates of deposit and the interests represented thereby, and all rights of the holders in respect of the deposited securities and the assessments paid thereon, shall be transferable only subject to the terms and conditions of this agreement and in such manner as the Committee shall approve, and upon such transfer the transferees and holders of such receipts or certificates of deposit shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of receipts or certificates of deposit, shall be embraced under the term "Depositors," whenever used herein. Each receipt or certificate of deposit may be treated by the Committee and by the Depositaries as a negotiable instrument, and the holder for the time being may be deemed to be the absolute owner thereof and of all rights of the original depositor of the bond or stock and assessments in respect of which the same was issued, and neither the Depositaries nor the Committee shall be affected by any notice to the contrary. By accepting any such receipt or certificate, every recipient or holder thereof shall thereby become party to this agreement with the same force and effect as though an actual subscriber hereto under seal. The term Depositor, whenever used herein, is intended and shall be construed to include not only persons acting in their own right, but also, trustees, guardians, committees, agents, and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint stock companies and corporations. Until a deposit shall have been fully completed hereunder and a receipt or



certificate therefor actually issued to the Depositor, neither he nor any one claiming under him shall have any right hereunder, and then only as specified in such receipt or certificate. The Committee may, however, pursuant to arrangement with J. P. Morgan & Co. and J. S. Morgan & Co., include in the plan all or any part of the bonds now under the control of said firms under the circular of Drexel, Morgan & Co. and J. S. Morgan & Co. dated December 10th, 1894, without issue of receipts or certificates therefor; provided, however, that the Committee may, nevertheless, at any time, require the exchange of the existing receipts for receipts issued hereunder.

The Depositaries shall receive the deposited stocks, bonds and other securities and shall deliver the same to such Trust Company or other custodian for safe keeping as the Committee shall indicate, to hold the same subject to the order and control of the Committee.

The Committee may, in its discretion, fix or limit the time within which holders of bonds and stocks, or any class thereof, may deposit their securities and become parties to this agreement, and the times when the assessments on the stock must be paid, and may, in its discretion, either generally or in special instances, extend or renew the time so fixed or limited, on such terms and conditions as it may see fit. Holders of securities not deposited in the manner herein provided within the time fixed or limited for the deposit of such securities respectively will not be entitled to deposit the same or become parties to this agreement, or share in the benefits thereof, and shall acquire no rights thereunder, except by express consent of the Committee, and upon such terms and conditions as the Committee may fix. Depositors of stock who shall fail to pay their assessments within such time as shall be fixed or limited shall cease to be parties hereto or entitled to any benefit hereunder, or in the securities deposited or assessments paid, and shall absolutely forfeit, without right of redemption, their stock, together with any part of the assessments paid thereon, and the Committee may sell the same, or the new securities which may be issued in respect thereof, to any purchaser paying such amount as the Committee may determine, and the proceeds thereof may be used for any of the requirements of carrying out said plan, and as a reserve for the uses of the new company. The Committee may, however, in its discretion, on such terms as it shall see fit, waive by resolution any such forfeiture or failure to pay the assessment within the times allowed.

The Committee may also, in its discretion, fix, extend or renew the time within which stockholders desiring to obtain the deduction of \$6 on the assessment of \$18 on the common stock, and \$4 on the assessment of \$12 on the preferred stock, must deposit their stock and pay the respective installments of the balance of the assessment. Stockholders who fail to deposit their stock within such time as shall be allowed by the Committee in its discretion, and depositors of stock who fail to pay any of the installments of the assessment, on or before such dates as the Committee shall fix, will not be entitled to any deduction, and must pay the entire assessment, as specified in the plan.

The Committee may, in its discretion, for the purpose of carrying out the plan, call in for deposit any of the undisturbed bonds mentioned in the plan, and may cause any mortgage securing the same to be foreclosed, and cause other similar bonds having similar security to be issued in exchange for such bonds.

SECOND. The Depositors hereunder hereby request the Committee to endeavor to carry into practical operation this agreement, including the foregoing plan of reorganization, in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Committee shall deem to be for the best interests of the depositors or of the properties finally embraced in the plan of reorganization. Each and every Depositor, for himself and not for any other Depositor, does hereby sell, assign, transfer and set over to the said parties of the first part as joint tenants, and not as tenants in common, and to the survivor and survivors of them and to their successors, as a Committee each and every bond, share of stock, security or obligation or evidence thereof deposited hereunder, and every Depositor hereby agrees that the Committee shall be and hereby is vested with all the power and authority of owners of the stock,

bonds, securities and obligations deposited hereunder, with full right to transfer the same into its own name, as a Committee, or into the name of any other person or persons whom the Committee may select; to vote thereon at any meeting of stockholders or bondholders or creditors; to use every such stock, bond, security or obligation as fully and to the same extent as the owner or holder thereof, including power to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy to vote at, any and all meetings of stockholders or bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust or lease or under any provision thereof; to purchase at such prices as it shall see fit, or to pay, compromise or settle with the holders of, any coupons, notes or other indebtedness of any of the Erie Companies, or any Receivers' certificates or obligations issued or which may be issued or incurred by the Receivers thereof, and to apply for that purpose any moneys received from the assessments on the stock, or which may otherwise be received or raised by the Committee; to borrow money for any of the purposes of this agreement, and to charge or pledge any deposited securities, property purchased or new securities to be issued, for the payment of any moneys borrowed; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder or any part thereof, if the Committee shall so deem necessary or expedient in carrying out the purposes hereof; to institute or to become parties to any legal proceedings which could be instituted by any Depositor or any corporation, or any officer of any corporation whose stock or bonds or other obligations (or any part thereof) are deposited hereunder, and to participate in any and all legal proceedings now existing; to apply for receivers, or the removal of receivers and the substitution of other receivers, or for the termination of any receivership and the delivery of any property to its owners; to enter into settlement of any litigation now or at any time existing or threatened, in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the purposes of the Committee; to do whatever, in the judgment of the Committee, may be necessary to promote or to procure joint or separate sales of any property or franchises herein concerned, wherever situated; to adjourn the sale of any property or franchises, or of any portion or lot thereof at discretion; to bid, or to refrain from bidding, at any sale, either public or private, either in separate lots or as a whole, for any property or franchise or any part thereof, whether or not owned, controlled or covered by any deposited security, including or excluding any particular rolling stock, or other property, real or personal, and at before, or after, any such sale, to arrange and agree for the resale of any portion of the property which the Committee may decide to sell rather than to retain; to hold any property or franchises purchased by the Committee either in its name or in the name of persons or corporations by it chosen for the purposes of this agreement, and to apply any security deposited hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; it being understood that the term property and franchises includes any and all railroads, railroad and other transportation lines, leaseholds, stock, or other interests in corporations, in which the Erie Companies or any of them have any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Committee for any property or franchises shall be absolutely discretionary with it; and, in case of the sale to others of any property or franchise, the Committee may receive out of the proceeds of such sale or otherwise any dividend in any form accruing on any securities held by it.

THIRD. The Committee may procure the organization of one or more new companies, or may adopt or use any existing or future companies, and may cause to be made such consolidations, leases, sales or other



arrangements and may make such conveyances or transfers of any properties or securities acquired by the Committee and take such other steps as the Committee may deem proper for the purpose of creating the new securities provided for in the plan and carrying out all or any of the provisions thereof.

FOURTH. The Committee may construe this agreement (including the plan of reorganization); and its construction thereof or action thereunder in good faith, shall be final and conclusive. It may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and it shall be the judge of such necessity. It shall be sole and final judge as to when and whether the assent of enough parties interested in the Erie Companies or either of them, shall have been obtained to warrant it in carrying the same or any part into effect, and it shall have power whenever it shall deem proper, with the consent of the Depositaries to abandon or to alter, modify or depart from, the plan of reorganization, or any part thereof. It may at any time or times after any such partial abandonment, restore to the plan any abandoned part or parts thereof, and may seek to carry the same into effect, as fully if such part or parts had not been abandoned. It may also attempt to carry the plan into effect rather than abandon or modify the same, even though it be manifest that as carried out the plan must depart from the original plan or from some part thereof. But in case of any intentional change or modification or departure from the plan, which in the judgment of the Committee shall materially affect any of the several classes of Depositors, or their mutual relations, a statement of such proposed change, modification or departure shall be filed with the Depositaries, and notice of the fact of such filing shall be given as hereafter provided in Article Twelfth; and all holders of the outstanding certificates for such particular class or classes of securities affected thereby may, within two weeks after final publication surrender their respective certificates therefor and withdraw securities of such particular class or classes, or the proceeds thereof or substitutes therefor then under the control of the Committee, to the amount indicated in such receipts or certificates upon payment of their ratable shares of the expenses of the Committee as apportioned by it; and every Depositor of securities not so surrendering and withdrawing within such two weeks after final publication shall be deemed to have assented to the proposed changes or modifications, and, whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modifications finally made by the Committee shall be part of this agreement; and all provisions and references concerning the plan shall apply to the plan so changed or modified. In case the Committee shall finally abandon the entire plan, the stock, bonds and securities deposited hereunder, or their proceeds, or any stock, bonds, securities, or claims representative thereof, then under the control of the Committee, shall be delivered to the several Depositors in amounts representing their respective interests, upon surrender of their respective receipts or certificates and payment of such actual expenses as shall have been incurred by the Committee, which shall have power to determine and to apportion upon the several classes of securities deposited hereunder the ratable share of expense to be borne by such security. In such case the assessment moneys paid by the depositing stockholders, or any coupons, notes, receivers' certificates or other claims or property acquired therewith, or the proceeds thereof when received, shall be distributed or equitably adjusted among the respective holders of the receipts or certificates of deposit for stock in proportion to the amount of the assessment moneys paid thereon respectively.

FIFTH. The Committee may proceed under this agreement, or any part thereof, with or without foreclosure, and may exercise any power after foreclosure sale.

In case of any claim, lien or obligation not herein fully provided for and affecting the Erie Companies or any of them, or any property, or franchises thereof, the Committee may from time to time (subject, however, to Article Sixth hereof) make such compromise in respect thereto or provision therefor as it may deem



suitable, using therefor any securities not expressly required for settlement with Depositors or not expressly reserved for liens or obligations specified in the plan ; but the total amount of new securities to be created as set forth in the plan, shall not be thereby increased.

Any action contemplated in the plan or agreement to be performed on or after completion and reorganization may be taken by the Committee at any time when it shall deem the reorganization advanced sufficiently to justify such course, and the Committee may defer, as it may deem necessary, the performance of any provision of the plan or agreement, or may refer such performance to the new company.

SIXTH. The Committee may from time to time make contracts with any person, syndicate or corporation, for the purpose of carrying this agreement into effect. The Committee may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by the Committee deemed reasonable for the purposes of this agreement. Their selection of Messrs. J. P. Morgan & Co. and Messrs. J. S. Morgan & Co. as Depositaries is hereby ratified and confirmed. The Committee may prescribe the form of all securities and of all instruments at any time to be issued or entered into under this agreement. It may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder. It may, at public or private sale, or otherwise, dispose of any securities of the new company left in its hands because of any failure to make deposits hereunder. In so disposing of any such new securities, thus left on its hands, the Committee may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as it may deem expedient and advisable. But, neither the Committee nor the new company shall dispose of any such securities left in its hands because of any failure to deposit any bonds or claims continuing as outstanding liens on the property controlled by the new company, nor of any such securities intended, under the plan, to provide for securities or claims on properties not embraced in the plan as carried out, although, when authorized by the Depositaries and Voting Trustees, the Committee may use, or may arrange to use (so far as necessary) any such remaining securities for the acquisition of any line or lines of railway which to them shall seem a satisfactory substitute for any property not embraced in the plan as carried out. At the time of the creation of the new securities or as soon thereafter as may be, the Committee may take such action (either by creating lesser amounts of securities, or otherwise) as it may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of the plan.

SEVENTH. The action of a majority of the members of the Committee, expressed from time to time either at a meeting or in writing with or without meeting, shall for all purposes constitute the action of the Committee, and have the same effect as if assented to by all. It may adopt its own rules of procedure. Any vacancy in the Committee may be filled by appointment in writing by the remaining members or a majority of them, and the Committee may by a majority of its members add to its number. All title, rights and powers vested in the Committee hereunder shall, from time to time, vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever. In case of absence, any member may vote by any other member as his proxy. Neither the Committee nor the Depositaries assume any personal responsibility for the execution of the plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof, the members of the Committee, however, undertaking in good faith to endeavor to execute the same. No member of the Committee, nor any Depositary, shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his or its own individual willful malfeasance or neglect; and no member of the Committee shall in any case be personally liable for the act or omission of any other member, nor for

the acts of any Depositary, nor shall any Depositary be personally liable for the acts of the Committee. Any member of the Committee may at any time resign by giving notice in writing to a majority of the remaining members, and the Committee may give full release and discharge to any such member, or to the personal representative of any deceased member. The Committee may act through sub-committees or agents and may delegate any authority, as well as discretion, to any such sub-committee or agent; its members shall be allowed a reasonable compensation for their services hereunder. The Committee, or the Depositaries, or any present or future member of either, may be member of the Committee or of the Depositaries, or of the "Voting Trustees," and may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including any syndicate agreement, whether or not mentioned in the plan. Any direction given by the Committee shall be full and sufficient authority for any action of the Depositaries or any Trust Company or other Custodian, or for any sub-committee or agent.

EIGHTH. The Committee may negotiate and agree with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other conveniences which it may deem necessary or desirable to obtain or to grant, and may make contracts therefor binding upon such new company; and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in its opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting the Erie system, or which the Erie Company or any subordinate company has contracted to acquire, or to prevent or avoid opposition to, or interference with, the successful execution hereof.

NINTH. The accounts of the Committee shall be filed with the Board of Directors of the new company within one year after its organization shall have been completed, unless a longer time be granted by the said Board. The accounts, when audited and approved by such Board of Directors, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Committee shall be discharged. The acceptance of new securities by any Depositor shall estop such Depositor from questioning the conformity of such securities, as to character, or otherwise, with any provision of said plan and the acceptance of new securities by a majority in amount of any class of depositors shall so estop all Depositors of such class.

TENTH. The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Committee, and each Depositor hereunder hereby confers on the Committee, in respect of all securities deposited or to be deposited, and in all other respects, any and all powers necessary or expedient, or which the Committee may deem necessary or expedient in or towards carrying out or promoting the purposes of this agreement in any respect, even though any such power be apparently of a character not now contemplated; and the Committee may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, it may deem expedient. And it is further understood and agreed that the methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Committee.

The bonds deposited under this agreement, and all Receivers' certificates, coupons and claims purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by the delivery to the depositors of new securities



in respect of their deposits, and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any deficiency judgment obtained in respect of any of said deposited bonds, and any judgment upon any of such claims, and all liens and equities, shall remain unimpaired, and may be enforced by the Committee or by the new Company or other assigns of the Committee until paid or satisfied in full or expressly released. Neither the Committee nor any bondholders or creditors of any of the Erie Companies, by executing this agreement or by becoming parties thereto, release, surrender or waive any lien, right or claim in favor of any stockholders or other parties interested in such Company, and all such liens, rights or claims shall vest unimpaired in the Committee and in the new Company, as its assigns; and any purchase or purchases by or on behalf of the Committee, or the new Company, under any decree for the enforcement of any such lien, right or claim shall vest the property purchased in the Committee or the new Company, free from all interest or claim on the part of such stockholders or other parties.

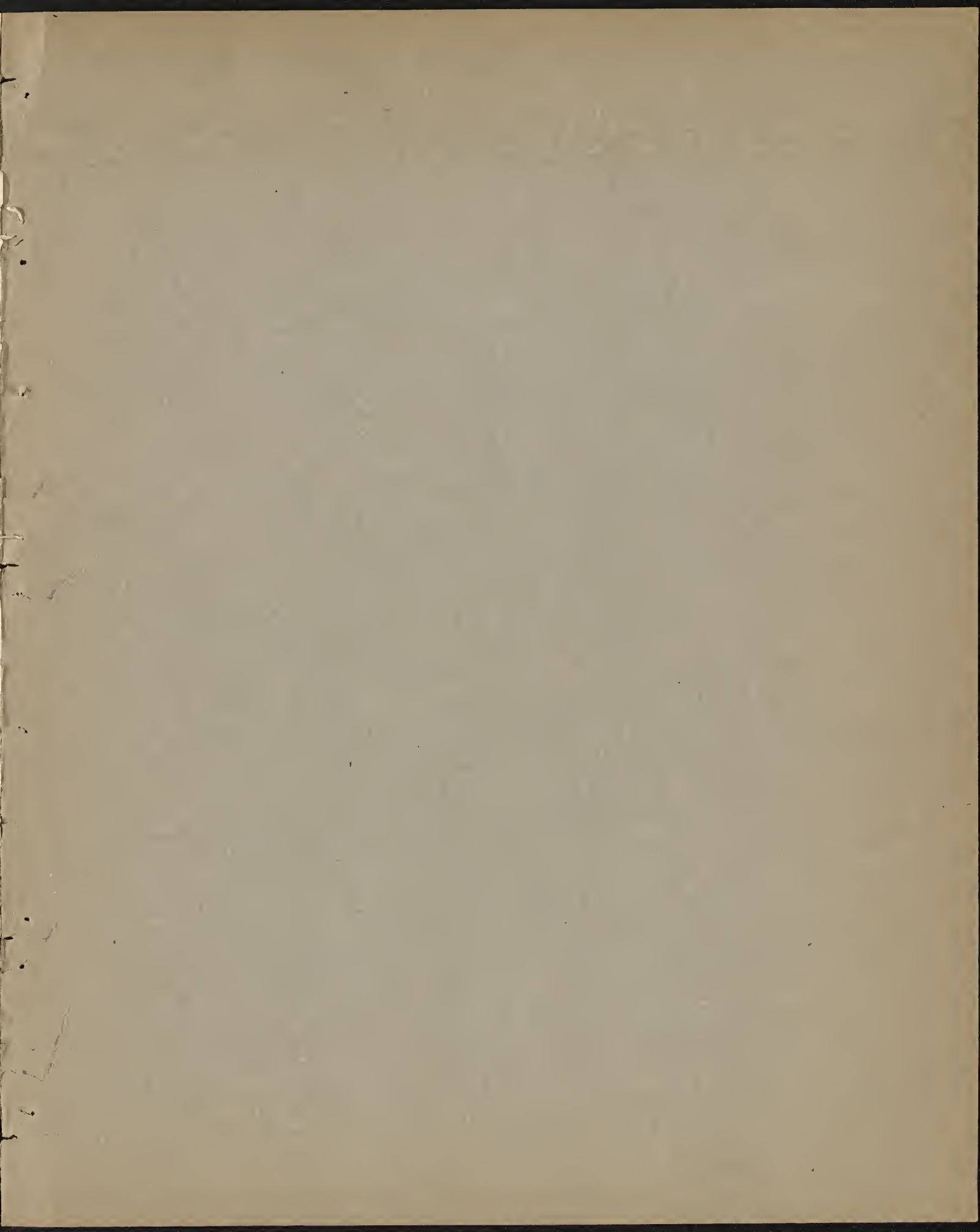
ELEVENTH. No estimate, statement, explanation or suggestion contained in the foregoing plan or in any circular issued, or which may hereafter be issued, by the Depositaries or by the Committee, is intended or is to be accepted as a representation or warranty, or as a binding condition of deposit thereunder, and no defect or error therein shall release any deposit thereunder except by consent of the Committee. Any moneys paid under or with reference to said plan or this agreement shall be paid over by the Depositaries to the Committee, and shall be applicable for any of the purposes of the plan and agreement as may be most convenient, and as may from time to time be determined by the Committee, whose determination as to the propriety and purposes of any such application shall be final, and nothing in said plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. No liability in respect or in favor of any bonds, stocks, obligations, securities or debts not called for and accepted on deposit hereunder, nor in favor of any lease or contract, is assumed hereunder, or by or for any new company (notwithstanding any mention thereof, or estimate in respect thereto, or reservation of securities to provide therefor, in said plan), nor is any trust in their favor created or impressed upon any deposit or payment hereunder, or upon any securities to be issued under the plan. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the plan, either as proposed or as carried out, or any securities held as collateral for any such obligation may be acquired or extinguished or held by the Committee at such times, in such manner and upon such terms as it may deem proper for the purposes of reorganization, but nothing contained in the plan or in this agreement is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

TWELFTH. All calls for the deposit of bonds and stocks, for the payment of assessments or for the surrender of certificates, all notices fixing or limiting the time for the deposit of securities or the payment of assessments, and all other calls or notices hereunder, shall, except when otherwise provided, be inserted in the New York "Times" and the New York "Tribune," or in two other daily papers of general circulation published in the City of New York, and in two daily papers of general circulation published in the City of London, twice in each week for two successive weeks. Any call or notice whatsoever, when so published by the Committee, shall be taken and considered as though personally served on all parties hereto and upon all parties becoming bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this agreement.



THIRTEENTH. This agreement shall bind the Committee and their successors in office appointed in accordance herewith and the depositors hereunder, their and each of their heirs, executors, administrators, successors and assigns.

*In witness whereof*, a majority of the members of the Committee have hereunto signed their names and all other parties hereto have deposited securities as above set forth.





# EQUITABLE SECURITIES COMPANY.

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Special Report of Directors

and

Security Holders Agreement.





# EQUITABLE SECURITIES COMPANY,

58 PINE STREET.

NEW YORK, April 24, 1899.

*To the Holders of the Debentures and the  
Debenture Certificates of the Equitable Securities Company.*

DEAR SIR OR MADAM:

Since the reorganization of the Equitable Mortgage Company five years ago, the question of the income and earnings of the Equitable Securities Company, in comparison with the interest charges on its obligations and operating expenses, has given the officers of the Company much concern, for at no time since the reorganization have the earnings of the Company been sufficient to pay interest and operating expenses. We have hoped for such an increase in earnings as would at least equal the interest charges and operating expenses of the Company, but so far our hopes have not been realized. With the rate of interest on the Debentures of the Company increasing from 4 per cent. to 5 per cent. per annum, the matter was deemed of sufficient importance by the Board of Directors to warrant the appointment of a Special Committee to inquire into conditions and ways and means of obtaining an increase of income. This Special Committee, after a long and thorough examination, has made its report, which report has been unanimously approved by the Board of Directors and is enclosed herewith, together with a Security Holders' Agreement prepared in pursuance thereof.

Briefly, the proposed plan is the formation of a new company with not less than **One Million Dollars (\$1,000,000) New Cash Capital**; to take over the securities with a view to taking over the assets of the Equitable Securities Company and to issue against such assets and the new one million dollars (\$1,000,000), (or more) fresh money, its "Consols" in exchange for debentures and debenture certificates of the Equitable Securities Company upon the basis as set forth in said report.

Upon the report of the sub-committee and its adoption by the Board of Directors, a Committee consisting of John I. Waterbury, President of the Manhattan Trust Company of New York City, Henry W. Cannon, President of the Chase National Bank of New York City, and Cornelius C. Cuyler, of the Banking Firm of Cuyler, Morgan & Company of New York City, was organized for the purpose of raising the new one million dollars, (\$1,000,000.) cash capital. This Committee has reported to the Board of Directors that they have obtained subscriptions for the full amount of said new capital, and that they are now ready to proceed with the plan of adjustment as approved by the Board of Directors.

I commend the proposed plan to you most heartily. The "Consols" of the New Company, to be issued in exchange for the debentures and debenture certificates, will be direct obligations of the New Company for the payment of \$100 or multiples thereof, with interest at the rate of four per centum per annum, payable semi-annually, and shall provide that, in case of default in payment of interest, the principal shall at the election of the holders, respectively become immediately due and payable. And also that, in case of any distribution of assets other than profits, the principal of said consols shall be paid before any payment shall be made upon the stock of the Company, and also the said consols shall be redeemable at the option of the New Company on any interest payment date at 105 and interest. These consols thus being a direct obligation of a solvent company with at least **One Million Dollars new cash capital paid in**, will unquestionably be a high grade security in every particular.

**It is necessary that the proposed plan should be completed without delay.** I therefore beg to request that, having advised yourself as to the proposed plan, you will sign the enclosed letter and send the same together with your Debentures and Debenture Certificates immediately to the New York Security and Trust Company, 46 Wall street, New York City (which will affix revenue stamp), which Company will issue a proper receipt therefor entitling you to the securities of the new Company as soon as the plan can be completed.

Very truly yours,

CHARLES M. PRESTON,  
*President.*



This paper to be signed and acknowledged before a Notary Public and returned to the NEW YORK SECURITY AND TRUST COMPANY with your Debentures and Debenture Certificates. Have the Notary affix his seal.

NEW YORK SECURITY AND TRUST COMPANY,  
46 Wall Street, New York City.

GENTLEMEN:

Enclosed herewith please find for deposit, under Agreement dated April 24, 1899, between the Debenture and Debenture Certificate Holders of the Equitable Securities Company and John I. Waterbury, Henry W. Cannon and Cornelius C. Cuyler as a Committee, the following securities of the said Equitable Securities Company:

Debentures Series A, No.....	Class.....	Amount, \$.....
“ “ B, No.....	Class.....	“ \$.....
“ “ C, No.....	Class.....	“ \$.....
“ “ D, No.....	Class.....	“ \$.....
“ “ K, No.....	Class.....	“ \$.....
Total .....		\$.....

Also Debenture Certificate No..... for ..... Dollars.

“ “ No..... “ ..... “  
“ “ No..... “ ..... “

All of which securities for value received, I, the registered holder and owner thereof do hereby sell, assign, transfer and set over unto the said John I. Waterbury, Henry W. Cannon and Cornelius C. Cuyler, as the Committee mentioned in the agreement above referred to, their successors and assigns, and do hereby authorize, empower and direct the said Equitable Securities Company to transfer and register the said securities in accordance with the directions of said John I. Waterbury, Henry W. Cannon and Cornelius C. Cuyler, their successors or assigns.

WITNESS my hand and seal this.....day of....., 1899.

STATE OF..... }  
COUNTY OF..... } ss. :

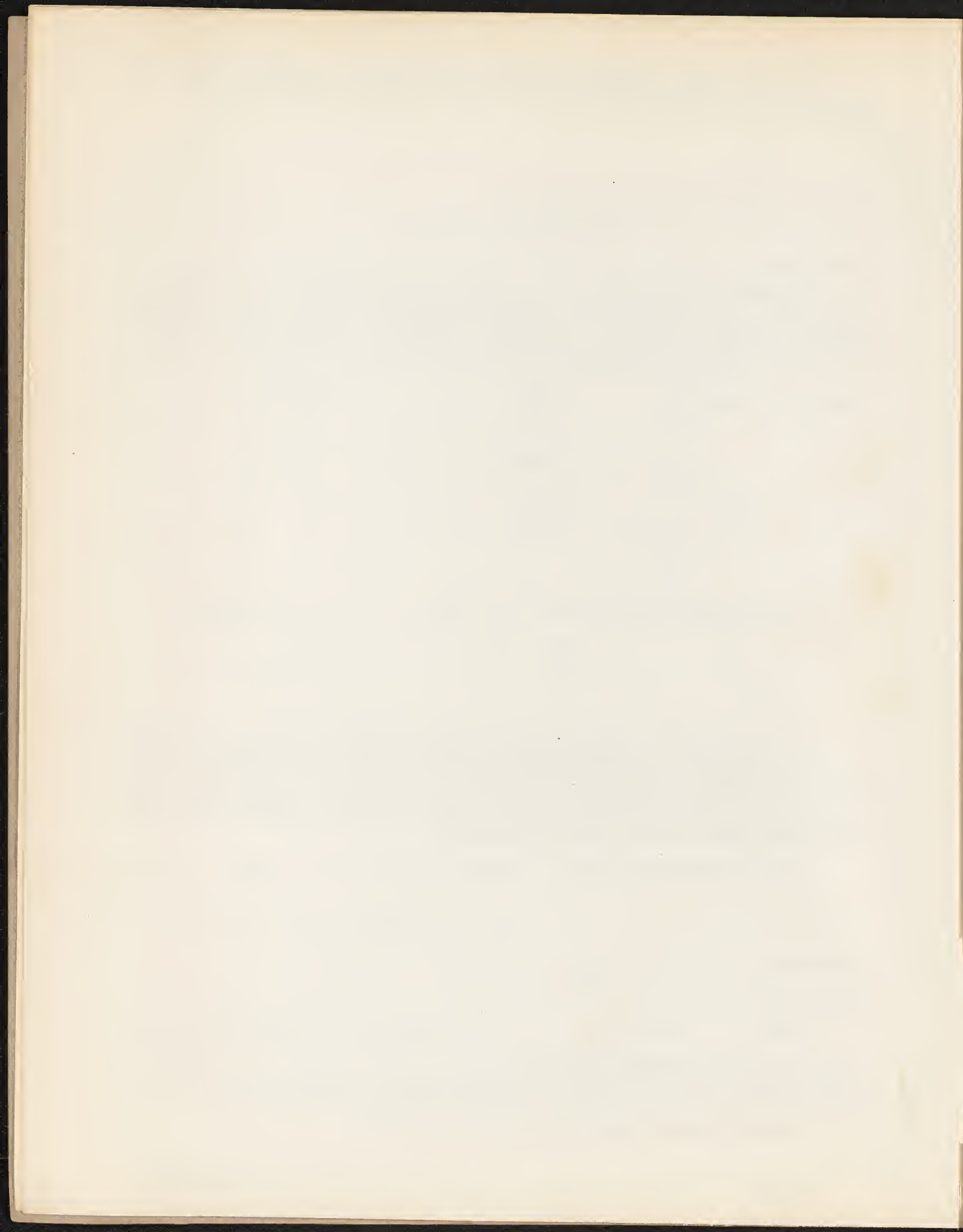
On this.....day of.....1899, before me, a Notary Public in and for said County and State, personally appeared....., personally known to me to be the same person described in and who executed the foregoing instrument and he duly acknowledged the execution of the same for the purposes therein expressed.

WITNESS my hand and official seal the day and year aforesaid.

[SEAL.]

.....  
Notary Public.





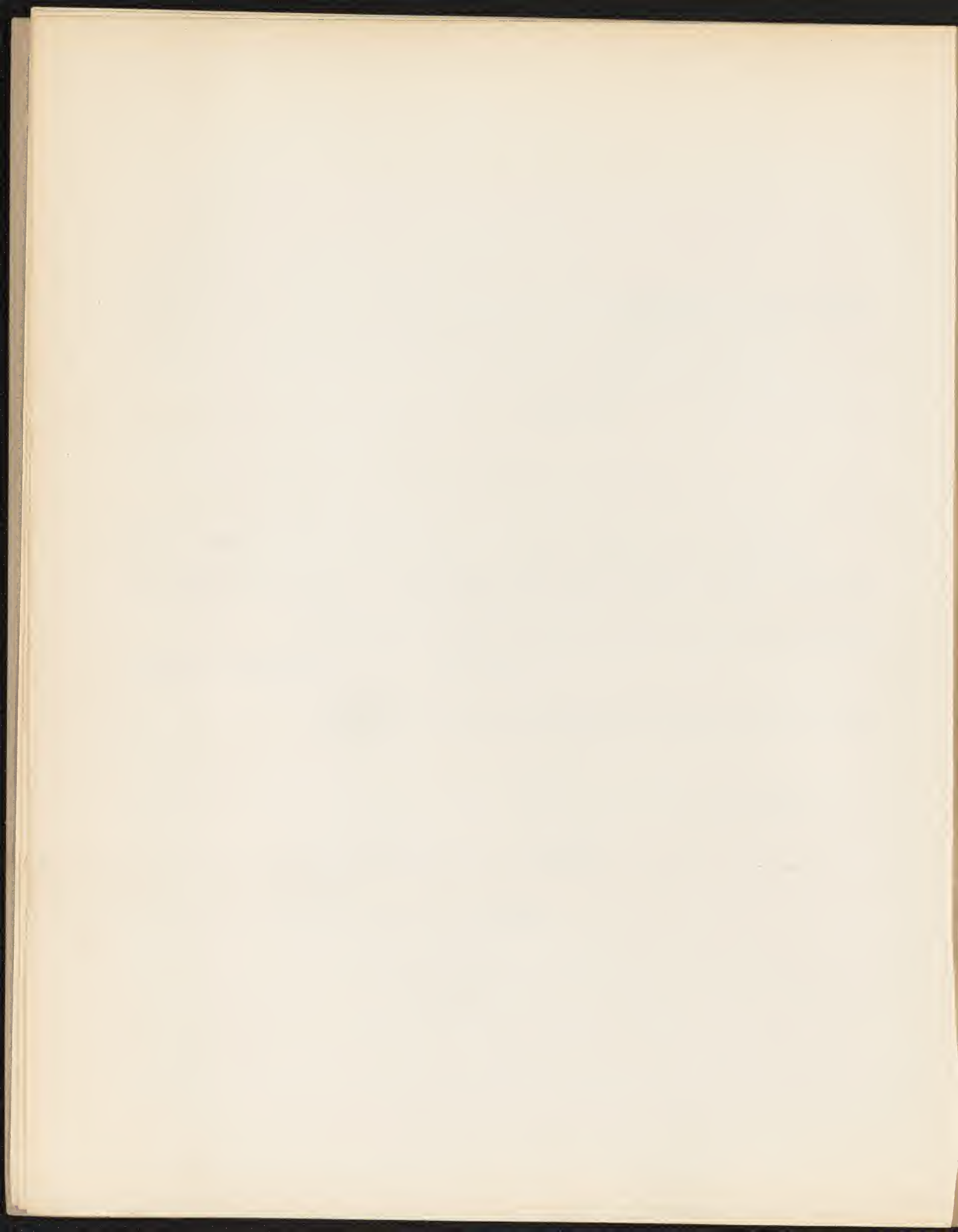
MESSRS. JOHN I. WATERBURY,  
HENRY W. CANNON,  
CORNELIUS C. CUYLER,  
*Committee.*

Referring to the proposals stated in circular letter of the Directors of the  
Equitable Securities Company, dated April 24th, 1899,.....hereby elect to take, and  
agree to pay for, at par, stock of said new company to the amount of.....  
.....Dollars (\$                    ), said stock to be taken  
and paid for on demand of said Committee or said new company.

Dated,.....

Name.....

Address.....





# EQUITABLE SECURITIES COMPANY,

OFFICES, 58 PINE STREET,

NEW YORK CITY, April 24th, 1899.

## To the Security Holders of the Equitable Securities Co.:

DEAR SIR OR MADAM:

At a meeting of the Board of Directors of this Company, held November 22d, 1898, a resolution was passed as follows:

*"Resolved, That the President appoint a Committee of Seven, of which Committee he is to be a member and Chairman ex-officio, the said Committee to take up and consider the present condition of this Company, and the advisability of forming a new corporation, or whether to continue this Company in its present shape, the Committee to make its report at the next Director's Meeting, or at a Special Meeting to be called by the President."*

At the meeting held December 8th, 1898, the Committee reported to the Board of Directors:

That the Company in liquidation has arrived at a point where it owns a large amount of real estate, and which cannot possibly be realized upon at a fair value, before the maturity of the debentures in 1904, and that other assets of the Company cannot be liquidated to advantage.

That the success of undertaking a new business which would be profitable by the present Company, in its existing condition, is problematical.

Consideration of the above led the Committee to take up, and discuss thoroughly, the following propositions:

FIRST—The advisability of the Company proceeding as it exists without change.

SECOND—The advisability of the Company asking certain concessions from its security holders.

THIRD—The organization of a new corporation, with ample cash capital, backed by strong financial men, for the purpose of exchanging its securities for the securities of the existing company.

Considering these propositions in order, the Committee reported:

FIRST—In reference to the company continuing as it exists.

We believe that the company has pursued the correct policy thus far, and that the gains made have been fully as much as could be expected, considering the character of its assets and limitations, and that in its present position the company is in good condition; but as in our judgment it is evident that an extension of time on the debentures, and a relief from the increase of interest will become a necessity, we consider it inexpedient to continue the existing company on its present lines:

SECOND—The least that should be asked in order to put the company on a sound basis would be that the rate of interest remain at 4%; that a long extension of the maturity of the debentures be had, and that the outstanding debenture certificates be surrendered for cash at a price not to exceed Fifty cents on the dollar; and a modification of the Trust Agreements enabling the company to have more latitude with less expense in handling its assets.

If these concessions were made by all impartially, we think that the present company could continue, although at a disadvantage, because it would not have the requisite amount of cash capital or credit with which

to enter into new enterprises, and without which a financial corporation cannot be successful. We are convinced however from past experience that it is absolutely impossible to secure unanimous consent to any concessions. To 'accept concessions from some, without being able to secure the same from all, would be unfair, unwise and inadequate.

THIRD—After thoroughly considering all expedients, we have unanimously determined that to liquidate the obligations of this company to the best advantage of all concerned, the most desirable results can be obtained through a new corporation, with not less than One Million Dollars of new cash capital. To most effectively and successfully realize upon the assets of this company, the new company should issue its obligations, bearing interest at a rate not to exceed 4% per annum, to be in the nature of a listed security, being a first lien upon all of its assets (excepting of course its Trust Funds and deposits) on a basis as nearly as possible to the par value of the debentures of the present company. All of the debenture holders and debenture certificate holders of the present company should have the opportunity to subscribe to the capital stock of the new company.

The Committee makes no suggestion with regard to the disposition of the stock of this company, but in event of this plan being found feasible and being carried out on the part of the debenture holders and debenture certificate holders, some proposition should be made to take care of stock in an equitable manner, by exchanging same for the stock of the new company.

By such an organization, we believe that the best results would be obtained for the security holders of the present company.

This report having been thoroughly discussed by the Board of Directors, was unanimously accepted and adopted, and the Committee was continued for the purpose of further considering and assisting in the arrangement of the details of the plan proposed, and to report to the Board of Directors when necessary.

(It will probably be of interest to know that at no time since the organization of the Equitable Securities Company has the revenue from its assets been sufficient to pay the operating expenses, and the interest on its outstanding obligations, and in view of the fact that the debenture bonds bear 5% interest from March 1, 1899, and that the company cannot longer purchase its obligations at a discount in any adequate quantities, has led to a full consideration of the existing conditions of the said Company.)

Since the adoption of said Report, the Committee has continued its labors for the purpose of ascertaining whether a new company could be organized upon the lines set forth in the Committee's Report above quoted. As a result of their efforts thus far, One Million Dollars of capital stock of the new company has actually been subscribed and is ready to be paid in upon call, and will be so paid in as soon as the assent of the security holders has been received, and the deposit of their securities made.

The securities to be offered by the new company are to be known as Consols, and are described in the accompanying agreement. Application will be made to have the Consols listed upon the Stock Exchange. The amount of Consols to be at any one time issued and outstanding, shall not exceed in the aggregate, five times the amount of the capital stock and surplus of the company.

Consols offered in exchange for the debentures and debenture certificates of the Equitable Securities Company, shall bear 4% interest, and future Consols to be issued shall bear a rate of interest not to exceed 4%.

The capital stock of the new company will be One Million Dollars, which will be paid in in cash, with the privilege of increasing the same.

The stockholders of the Equitable Securities Company, upon the adoption of this plan by the security holders, will be offered stock of the new company in exchange for their stock, upon some equitable basis.

The new company proposes to give Consols at par, in exchange for the debentures and debenture certificates of the Equitable Securities Company, on the following basis:

For the debenture bonds of Series "A,"	90%
" " " " " " "B,"	90%
" " " " " " "E,"	90%
" " " " " " "H,"	90%
" " " " " " "C,"	80%
" " " " " " "D,"	80%
" " " " " " "K,"	80%

The debenture certificates outstanding, which were issued for interest with the above series of bonds, are in all cases to be surrendered with the bonds for cancellation.

For debenture certificates which were not issued with the bonds.....50%

The security holders are given the privilege of taking stock of the new Company, at par, for cash, each to an amount not exceeding ten per cent. of the face value of the securities deposited by him for exchange as aforesaid.

Interest on the debentures from March 1st, 1899 to the date of the Consols will be paid by the new company in cash at the rate of 4% per annum.

**If this proposition is accepted it will be necessary to deposit your securities with the New York Security & Trust Company, No. 46 Wall Street, N. Y. not later than May 15th, 1899, and in case you desire to subscribe for any portion of the new stock please also execute the enclosed blank for that purpose and send with the other papers.**

The New York Security & Trust Company will act as fiscal Agents and will issue their receipt for the securities which receipt is to be held by you until the Consols are ready for delivery.

Very truly yours,

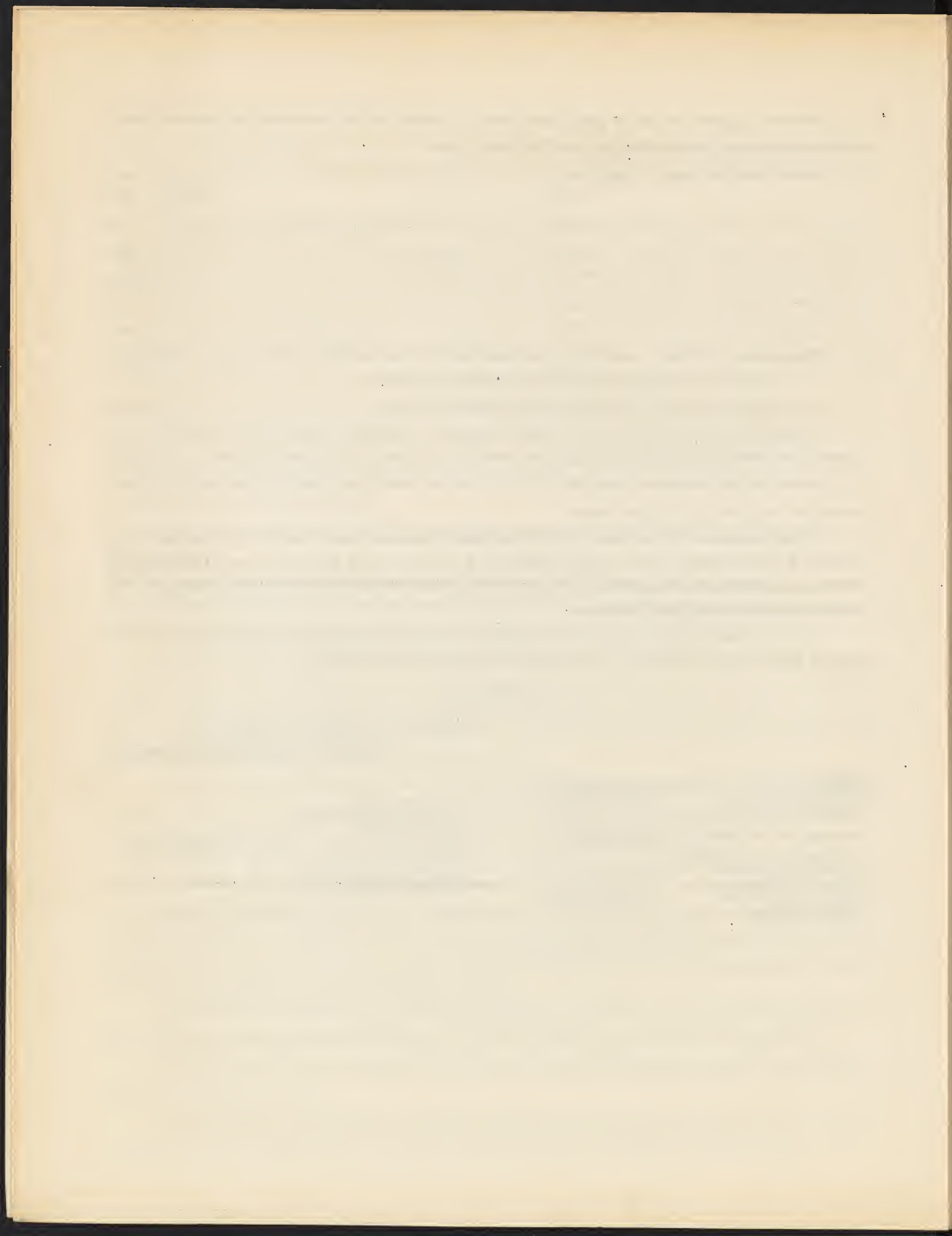
CHARLES M. PRESTON, *President,*

S. READING BERTRON, *VicePresident.*

GEORGE COPPELL, JOHN KEAN, BENJAMIN GRAHAM, LEMUEL H. ARNOLD,	} Directors representing British Debenture Holders.
WILLIAM W. MILLER,	
ALEXANDER C. ROBINSON, CLARENCE E. BACON, JOHN D. HOWARD, HENRY F. RICHARDS, JAMES SMITH, HENRY ALLISON,	} Directors representing American Debenture Holders.

A. B. HEPBURN, G. HENRY WHITCOMB, A. G. FOLSOM, JAMES R. SIMPSON, F. W. MARSH, THOMAS W. SYNNOTT, DENMAN BLANCHARD, DAVID B. SICKELS,	} Directors representing Stock Holders.





## SECURITY HOLDERS' AGREEMENT.

THIS AGREEMENT, made this 24th day of April, 1899, by and between such of the owners and holders of debentures and debenture certificates of the EQUITABLE SECURITIES COMPANY as may become parties hereto by signing this agreement or depositing their bonds hereunder, as hereinafter provided, hereinafter called the "Debenture Holders," parties of the first part, and JOHN I. WATERBURY, HENRY W. CANNON and CORNELIUS C. CUYLER, composing the Committee, and hereinafter called the "Committee," parties of the second part, WITNESSETH:

WHEREAS, one million dollars cash has been subscribed to the capital stock of a certain corporation, hereinafter called the "New Company," to be organized as provided by a certain agreement dated February 9, 1899, between John I. Waterbury, Henry W. Cannon and Cornelius C. Cuyler and the subscribers to said agreement, being the subscribers to the stock of the "New Company;" and

WHEREAS, the parties of the second part, representing the proposed New Company and the subscribers to the capital stock thereof, offer, subject to the terms of this agreement, to give in exchange for debentures and debenture certificates of the Equitable Securities Company "Consols" of the proposed new Company, at par, on the following basis for the respective series of the said Debentures, to wit :

* For the Debenture Bonds of Series A Ninety (90%) per cent. of the par value thereof.														
"	"	"	"	"	"	B	"	"	"	"	"	"	"	"
"	"	"	"	"	"	E	"	"	"	"	"	"	"	"
"	"	"	"	"	"	H	"	"	"	"	"	"	"	"
"	"	"	"	"	"	C	Eighty (80%)	"	"	"	"	"	"	"
"	"	"	"	"	"	D	"	"	"	"	"	"	"	"
"	"	"	"	"	"	K	"	"	"	"	"	"	"	"

Debenture Certificates issued for interest with the above debentures at the time of the reorganization of the Equitable Mortgage Company, are in all cases to be surrendered with the debentures for cancellation.

“ For Debenture Certificates other than those issued for interest, as above, fifty (50 %) of the par value thereof.”

NOW, THEREFORE, in consideration of the premises and of One dollar each to the other interchangeably in hand paid, the receipt whereof is hereby acknowledged, the parties of the first part, each for themselves, and not the one for the others, or any of the others, agree with each other and with John I. Waterbury, Henry W. Cannon and Cornelius C. Cuyler, composing the Committee, and their successors, as follows, that is to say :

FIRST. The Debenture holders shall deposit hereunder all debentures and debenture certificates of the Equitable Securities Company owned by them, together with all unpaid coupons, with the New York Security and Trust Co., 46 Wall Street, New York City, the depositors of such debentures and coupons and debenture certificates, transferring to the Committee the full legal and equitable title thereto for the purposes of this agreement; the debenture holders to receive for securities deposited under this agreement receipts representing the debentures and coupons and debenture certificates so deposited. Debenture and debenture certificate holders depositing their debentures and debenture certificates, and their transferees shall, by accepting such receipts, become parties to this agreement, with like effect as if they had actually signed the same. Depositors must in all cases deposit with their debentures and debenture certificates such transfers, assignments and powers of attorney as may be required by the Committee in order to vest in said Committee, and to enable them to transfer a complete and absolute title to such debentures and coupons and debenture certificates; and the depositors respectively agree at any time to execute any and all transfers, assignments or writings necessary for vesting complete ownership of the debentures and coupons and debenture certificates deposited hereunder in said Committee, or its nominees, for the purpose of enabling said Committee to carry out this agreement.

SECOND. The Committee, as at any time constituted, are hereby appointed and constituted by the debenture and debenture certificate holders, their agents and attorneys, and the agents and attorneys of each and every one of them, for the purpose of carrying out this agreement. And the debenture and debenture certificate holders hereby severally confer upon the said Committee whatever power and authority it may be necessary for the said Committee to exercise in order to legally and effectually execute this agreement, and they, and each of them, also constitute and appoint said Committee their true and lawful attorneys irrevocable, with power of substitution, to execute in their behalf any instrument or instruments in writing convenient or necessary to enable them to carry out the purposes of this agreement in all its parts and details, hereby giving and granting unto said Committee full power and authority to do and perform all and every act and thing requisite or necessary in the premises as fully, for all intents and purposes, as said consenting debenture and debenture certificate holders personally might or could do, hereby ratifying and confirming all that said Committee shall lawfully do or cause to be done by virtue hereof. And the powers hereinbefore given shall not be narrowed or limited by any enumeration of powers hereinafter contained.

THIRD. The said Committee, as holders of said deposited securities, may take any action under the trust agreements, securing them, or in respect to any suits or proceedings to foreclose the same, including the power to buy in



the property on such foreclosure, and to pay therefor or to make part payment of the purchase price thereof in the debentures and coupons and debenture certificates deposited hereunder; to represent the said debenture and debenture certificate holders in any Court or elsewhere in respect to their rights and interests as holders of said debenture and debenture certificates; to attend any and all meetings of debenture holders, and to vote all debentures deposited hereunder upon any question which may come before such meeting; to instruct and direct the Trustees of the trust agreements securing the said debentures, and to confirm in and to give such Trustees all such powers as in the judgment of the said Committee will result to the advantage of the debenture and debenture certificate holders; to receive moneys payable upon such debentures and debenture certificates, and to use said moneys in the discretion of the said Committee to carry out the purpose and intent of this agreement. And, in general, the said Committee is authorized and empowered to exercise all other authority, powers and discretion which the debenture or debenture certificate holders hereto or any of them might or could exercise as debenture or debenture certificate holders by reason of the said debentures or debenture certificates owned by them or of the Trust Agreement securing them, in carrying out the objects and intents of this agreement as understood and construed by the said Committee.

FOURTH. The said Committee shall as soon as practicable cause to be organized a corporation under the laws of the State of New York, either under a special charter or otherwise (hereinafter called the New Company, which Company shall be the Company referred to in this agreement as the "New Company"), having such powers as are contemplated in the agreement of February 9, 1899, above referred to; said Company to have an authorized capital stock of Two million dollars (\$2,000,000), One million dollars (\$1,000,000) or more of said capital to be paid up in cash; the said new Company to issue in exchange for the debentures and debenture certificates deposited under this agreement its certain "Consols" at, for and upon the basis above set forth. The said "Consols" shall be obligations of the New Company for the payment of one hundred dollars, or multiples thereof, with interest at the rate of four per cent. per annum, payable semi-annually, and shall provide that in case of default in the payment of interest, the principal shall, at the election of the holders, respectively, immediately become due and payable; also, that they may be redeemed at the option of the New Company on any interest payment date at 105 and interest, and also that in case of any distribution of assets other than profits, the principal of said consols shall be paid before any payment shall be made upon the stock of the company; in other respects the said consols to be in such form as may be approved by the Committee.

The Committee being expressly authorized to transfer, assign and deliver to the said New Company the debentures and debenture certificates deposited hereunder, in exchange for said "Consols." Interest to be adjusted in cash to date of "Consols" at the rate of Four per cent. per annum, from March 1st, 1899. The depositary, the New York Security and Trust Company, being expressly authorized and directed, upon demand of said Committee, to deliver to the said New Company the securities deposited hereunder in exchange for the "Consols" of the said New Company. The request of the Committee to the depositary hereunder to make such exchange shall be full and complete authority and protection to the depositary for said exchange and for the surrender and delivery of the securities deposited hereunder. The depositary being expressly relieved from all responsibility or liability as to the validity, form or obligation of the said "Consols."

FIFTH. The said Committee shall fix such time as it may deem proper within which securities shall be deposited hereunder, and after the expiration of such time no holder thereof who shall not within the time so fixed and limited have complied with the provisions of this agreement by depositing his holdings as aforesaid, shall have or be entitled to have any of the rights or privileges herein provided for, and shall not be entitled to participate in any way in the benefits of this agreement; Provided, however, that the said Committee shall have the power at any time to permit any holders of said securities to receive the benefits of this agreement upon compliance with the terms hereof, upon such just and reasonable terms and conditions as said Committee shall deem proper.

SIXTH. The Committee, as at any time constituted, and notwithstanding any changes therein, shall have all the powers, rights and interests as originally granted. The action of a majority of the members of the Committee expressed, from time to time, either at a meeting or in writing, with or without a meeting, shall, for all purposes, constitute the action of the Committee and have the same effect as if assented to by all. Any member of the Committee is expressly authorized and empowered to be represented at any meeting of the Committee by his duly authorized proxy, and the vote of such member, by his proxy, shall be binding in every way upon said Committee and upon all the parties hereto, the same as if such member was personally present at such meeting and voting in person. In case a vacancy shall at any time occur in said Committee by death, resignation or otherwise, such vacancy may (but need not) be filled by the remaining members of said Committee by the selection and appointment of a successor to fill the same; and such successor shall have and exercise all the power and authority under this agreement previously possessed by the person in whose place he shall have been selected and appointed, and to the same extent and effect as if originally named as one of the said Committee herein. No member of the Committee nor the depositary shall be, individually, pecuniarily liable for the acts of any other member, or for mistakes of law, fact or judgment, or for any action taken under advice of counsel, or for anything but his own bad faith. The members of the Committee may be or become pecuniarily interested in any of the property or matters which are the subject of this agreement. They may become officers or directors in the new Company to be formed in pursuance hereof and may purchase any of the securities provided for in this plan, or subscribe for stock of the new Company. Any member of the Committee may at any time resign by giving notice in writing to the other members of the Committee and the Committee may settle any transactions with such member, as to his compensation or otherwise and give full release and discharge; in case the Committee shall at any time consider it impossible

or inexpedient to carry out this agreement, they may terminate the same by mailing a notice thereof to each of the depositing debenture and debenture certificate holders, and thereupon the said depositors shall be entitled to receive back their securities upon surrendering all certificates or receipts therefor. It is expressly understood and agreed that neither the Committee nor the depositary assume any responsibility for the final completion and execution of the proposed plan embodied in this agreement. The Committee shall have power to determine and act according to its judgment in all matters not specifically provided for herein, but within the general purposes set out in this agreement, and shall have power to modify this agreement in any matter of detail not affecting the substantial rights of the parties hereto. The depositary shall not be liable for anything done under the direction of the Committee. All directions or instructions given and all powers conferred upon the New York Security and Trust Company, as Trustee, under the trust agreements securing the debentures, by the Committee, shall be binding upon the debenture holders hereof, their assigns and the new Company.

SEVENTH. Neither the Committee nor the depositary guarantee the genuineness of any debenture or debenture certificate in respect of which a certificate of deposit is issued, and, in case the genuineness of such debenture or debenture certificate is disputed or doubtful, they respectively reserve to themselves the right to call in any such certificate upon returning to the holder of such certificate the debenture or debenture certificate deposited in respect thereof.

EIGHTH. This agreement shall not be considered to create any trust, liability or obligation to or in favor of any person or corporation, except the Committee, the depositary and the holders from time to time of the certificates of deposit issued by the depositary in accordance with this agreement.

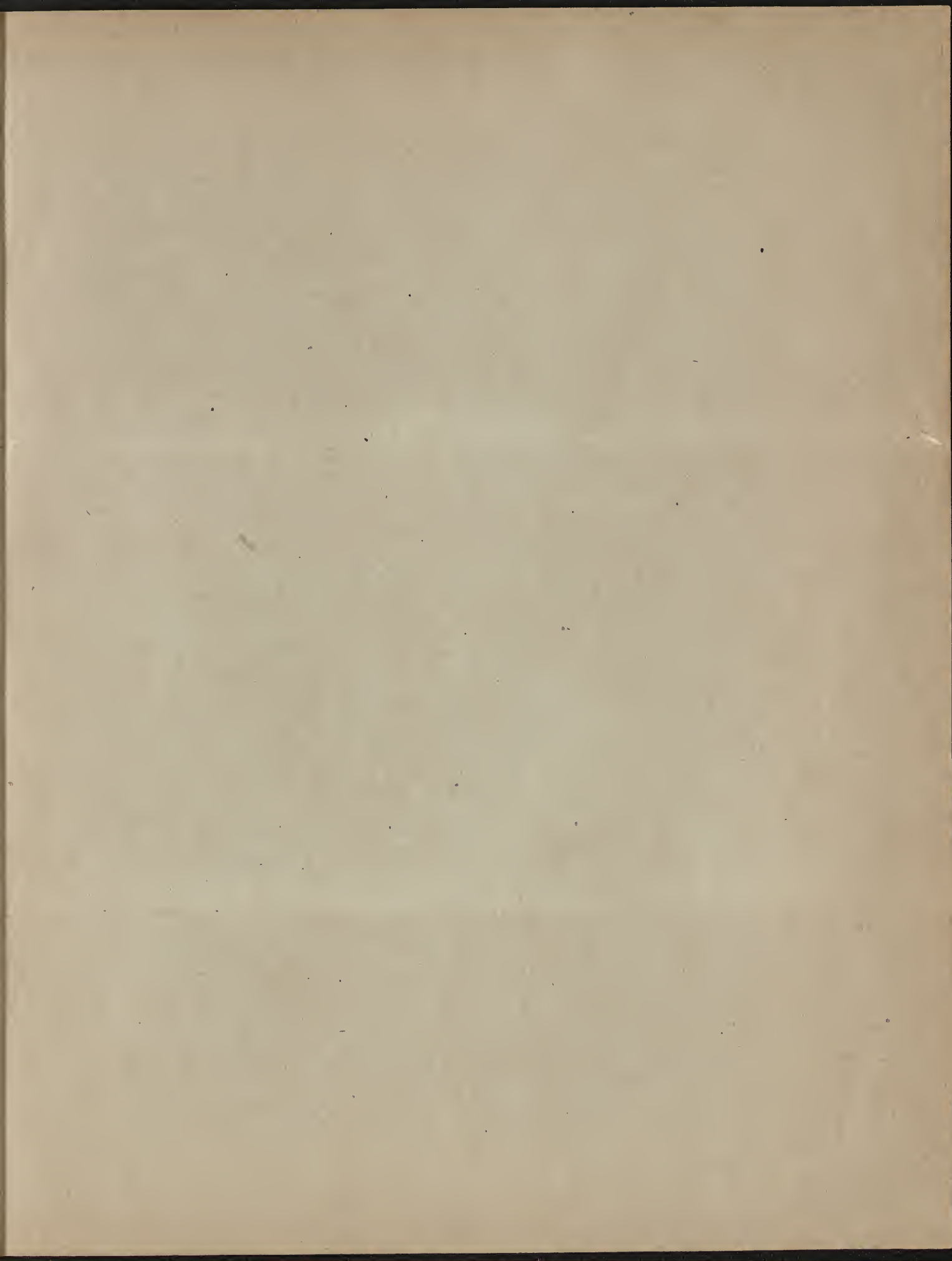
NINTH. The debenture holders, parties hereto of the first part, may become parties to this agreement by depositing their bonds hereunder with the New York Security and Trust Company, as above provided. A copy of the agreement shall be executed by the Committee and deposited with the New York Security and Trust Company, which agreement shall be taken for and considered to be the original agreement under and subject to the terms of which agreement all debentures and debenture certificates are deposited.

IN WITNESS WHEREOF the members of the Committee have hereunto caused their names to be affixed, and the other parties hereto have deposited hereunder their respective securities.

JOHN I. WATERBURY,  
HENRY W. CANNON,  
CORNELIUS C. CUYLER,  
Committee.











12

OFFICE OF THE  
COMMITTEE OF REORGANIZATION  
OF THE FIRST MORTGAGE BONDHOLDERS  
OF THE  
FORT WORTH & DENVER CITY RAILWAY.  
No. 1 BROADWAY.

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NEW YORK, July 10th, 1896.

*To the Bondholders of the Fort Worth & Denver City Railway:*

GENTLEMEN:

Your Committee after consultation with the Receiver of the road, regret to have to announce that on account of the entire loss of this years crop of wheat, corn and oats along the line of the road, it has been necessary to amend their plan of re-organization. There was this year a great promise of wheat and oat crops up to within three weeks of harvest time, but the dry hot winds set in and so affected the crops that wheat did not average five bushels to the acre, and there was a total loss of the oat and corn crops. The result is that there were virtually no net earnings for the five months ending June 1st, and while the prospects for Cotton and forage crops, and the traffic from Cattle are promising, the Receiver reports that he will be unable to earn more than 2% during the year. He also reports that when he has made all the final payments necessary to take the Road out of the Court and to his own final discharge, it will reduce his cash on hand to less than \$370,000.

Under these circumstances the Committee have considered it best to change their plan of reorganization, for greater security in future, and they have therefore amended it as follows: Instead of paying in cash one past due 3% coupon amounting to \$245,280, include this coupon with the other four past due coupons, which are to be represented by stock to draw preferential dividends (if earned) at the rate of 4% per annum, commencing December 1st, 1895, as proposed in their first plan. The plan will then be as follows:

REORGANIZE THE COMPANY WITHOUT FORECLOSURE ON THE FOLLOWING BASIS:

**FIRST:** Stamp Coupons for 5 years commencing Dec. 1st, 1895, at the rate of 4% per annum, payment of the balance of 2% being deferred according to the agreement, after which time the bonds will again revert to a 6% basis.

**SECOND:** To represent the remaining five past due coupons and for the 2% of interest due each year for the next 5 years, amounting to 10% which together with the past due coupons would amount to a total of 25%, deliver to bondholders Fort Worth & Denver City Railway stock to the amount of \$312.00 for each one thousand dollar bond. This stock to draw preferential dividends (if earned) at the rate of 4% per annum. Whatever dividends upon this stock are earned to be paid semi-annually. The past due coupons and 2% due upon Coupons for the next 5 years to be held in trust for the protection of the bondholders in case of any accident or failure of the Company to pay the interest as proposed. The bonds and coupons to be stamped with such words as will give notice of this agreement.

Any bondholder who is not satisfied with this amended plan may withdraw his bonds from the MERCANTILE TRUST COMPANY, within 30 days after the advertising and mailing of this amended plan, upon surrender of his certificate, and the payment of \$5.00 per bond for the expenses incurred. If any such bondholder fails to withdraw his bonds within that time, under the bondholders agreement he will be considered as accepting and agreeing to the amended plan.

Ninety-eight per cent. of the entire issue of bonds has been deposited with the Mercantile Trust Company, under the reorganization agreement of June, 1895.

As soon as practicable after the expiration of the 30 days the Receiver will be discharged, and the assented bonds will be returned to the depositors who will at the same time receive the stock and interest payment to which under the plan of reorganization they are respectively entitled. Bondholders will be duly notified of time of such delivery.

A Statement showing the earnings and expenses of the Company is hereto attached.

Copies of the bondholders' agreements, circulars, etc., of the Committee and all other information desired by bondholders can be obtained on application to the Mercantile Trust Company or at the office of the Committee, Room 218, No. 1 Broadway, New York City.

J. T. GRANGER, SECRETARY,  
No. 1 Broadway, New York.

G. M. DODGE, CHAIRMAN, No. 1 Broadway, New York.	} <i>Reorganization Committee.</i>
GEO. M. PULLMAN, Mills Building, New York.	
FRANKLIN B. LORD, Equitable Building, New York.	
HARRY WALTERS, 16 Chamber of Commerce, Baltimore, Md.	
SIDELL TILGHMAN, 54 Exchange Place, New York.	
FRANCIS S. BANGS, 100 Broadway, New York.	

WAGER SWAYNE, OF COUNSEL.

# THE FORT WORTH & DENVER CITY RAILWAY COMPANY.

## STATEMENT

*SHOWING EARNINGS AND EXPENSES FROM JANUARY 1st, 1893, TO JUNE 1st, 1896.*

	Jan. 1st, 1893. to Dec. 31st, 1893	Jan. 1st, 1894, to Dec. 31st, 1894.	Jan. 1st, 1895. to Dec. 31st, 1895.	Jan. 1st, 1896, to May 31st, 1896.
GROSS EARNINGS,.....	\$1,498,730 81	\$1,335,878 97	\$1,086,702 35	\$363,121 51
OPERATING EXPENSES AND TAXES,.....	1,175,884 50	1,048,401 35	876,923 95	338,185 34
NET EARNINGS FROM OPERATION,.....	322,846 31	287,477 62	209,778 40	24,936 17
EARNINGS FROM OTHER SOURCES,.....	1,020 00	2,938 26	9,382 21	4,250 00
TOTAL NET INCOME,.....	\$323,866 31	\$290,415 88	\$219,160 61	\$29,186 17

## INCOME ACCOUNT.

Net Income January 1st, to December 31st, 1893.....	\$323,866 31
“ “ “ “ “ “ 1894.....	290,415 88
“ “ “ “ “ “ 1895.....	219,160 61
“ “ “ “ May 31st, 1896.....	29,186 17
	<u>\$862,628 97</u>

### DEDUCT AMOUNTS EXPENDED FOR—

Right of Way,.....	\$4,439 74
New Construction on Operated Lines,.....	83,414 82
Real Estate Purchased,.....	10,304 25
Amount Paid on Business prior to Receivership,.....	28,591 96
“ “ “ “ joint Receivership.....	60,726 29
“ “ “ “ claim settled,.....	7,500 00
	<u>\$194,977 06</u>

### INTEREST ON BONDS PAID—

F. W. & D. C. First Mortgage Coupons prior to June, '93.....	\$13,800 00
“ “ “ “ June 1st, 1893, Coupons,.....	237,090 00
“ “ Equip. Trust Coupons, March and September, '93,.....	8,000 00
“ “ “ “ “ “ “ '94,.....	8,000 00
“ “ “ “ “ “ “ '95,.....	8,000 00
“ “ “ “ “ “ “ '96,.....	4,000 00
Pan Handle Railway Coupons January and July, 1893,....	11,225 00
Interest on Equipment Trust Coupons from due date to date of payment,.....	1,104 00
	<u>\$291,219 00</u>

486,196 06

BALANCE ON HAND, JUNE 1st, 1896,..... \$376,432 91

FORT WORTH, TEXAS, June 22nd, 1896.





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Green Bay, Winona and St. Paul Railroad Company.

SECOND MORTGAGE INCOME BONDS.

PREFERRED STOCK.

COMMON STOCK.

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PROTECTIVE AGREEMENT.

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JOHN I. WATERBURY, <i>Chairman,</i>	}	<i>Committee.</i>
EDWIN S. HOOLEY,		
MAYER LEHMAN,		

LEOPOLD WALLACH,  
*Counsel.*

HENRY ZUCKERMAN,  
*Secretary.*



# GREEN BAY, WINONA AND ST. PAUL RAILROAD COMPANY.

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## SECOND MORTGAGE INCOME BONDS.

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PREFERRED STOCK.

COMMON STOCK.

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## PROTECTIVE AGREEMENT.

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**Whereas**, Default has been made by the Green Bay, Winona and St. Paul Railroad Company in the payment of interest which became due on the first day of August, one thousand eight hundred and ninety-four, on the bonds of said Company, which bonds are secured by the First Consolidated Mortgage or Deed of Trust, dated August first, one thousand eight hundred and ninety-two, executed by the said Company on its railroad and other property to THE FARMERS' LOAN AND TRUST COMPANY, in the City of New York, as Trustee; and

WHEREAS, A bill has been filed in the Circuit Court of the United States for the Eastern District of Wisconsin, for the foreclosure of the first mortgage of said Green Bay, Winona and St. Paul Railroad Company, of September 1, 1891; and other legal proceedings are pending which affect the property and rights of the holders of the Income Bonds and Stocks of said Green Bay, Winona and St. Paul Railroad Company;

NOW, THEREFORE, We, the undersigned holders of the several classes of securities of the Green Bay, Winona and St. Paul Railroad Company, to the amount set opposite our names respectively, in consideration of the advantages which



will result to us, respectively, from concert of action in enforcing proper consideration for our securities and for the protection generally, of our interests in the litigation now pending and which may hereafter be commenced, and in consideration of other good causes and considerations, do hereby, each for himself, and not the one for the other, or either of the others, agree with each other and with the Committee hereinafter named, as follows, that is to say :

FIRST.—That we will act together and in concert, in the endeavor to secure proper consideration for our securities in the litigation now pending or which may hereafter be begun, and for the protection, generally, of our interest in case of sale or reorganization of the property. It being understood that whatever shall be done under this agreement shall be subject to the stipulations herein contained for our equal benefit or advantage and according to the rights and equities of the respective classes of securities severally held by us ; and that, in order to facilitate our proceedings under this agreement, and that no separate action in relation thereto shall be taken by either of us, JOHN I. WATERBURY, EDWIN S. HOOLEY and MAYER LEHMAN be, and they are hereby appointed a committee in our behalf, and they and their successors selected, as hereinafter provided, are hereby authorized and empowered, as our attorneys and in our names, to take such proceedings, commence such actions or intervene in any existing litigations or in any actions that may hereafter be brought, give such directions, execute such papers and do such acts by virtue of their possession of said bonds and stocks as they may consider judicious and proper.

That in case it may be deemed best to increase the number of said Committee, or in case a vacancy should at any time occur in the said Committee, by death, resignation or otherwise, such increase may be made and such vacancy may be filled by a majority of the other members of the said Committee, and that such successor or successors or additional member or members shall have and exercise all

the power and authority under this Agreement to the same extent and effect as if he or they were named herein as a member or members of the said Committee.

And we hereby give and grant unto our said Committee full power and authority to do and perform all and every act and thing requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as we might or could do if personally present, hereby ratifying and confirming all that our said Committee shall lawfully do or cause to be done by virtue hereof, including the power and authority to attend all bondholders' and stockholders' meetings and vote in our names and on our bonds and stocks on all questions that may come up at such meetings under the provisions of the deed of trust or by virtue of the charter or by-laws of said Company.

SECOND.—That, in order to facilitate the action of the Committee under this Agreement, we hereby agree to deposit with the MANHATTAN TRUST COMPANY OF NEW YORK the amount of Income Bonds of said Green Bay, Winona and St. Paul Railroad Company specified opposite our names respectively, which are to be held by said Manhattan Trust Company of New York, subject to the order of the Committee as the same is or may hereafter be constituted, and we also agree to deposit with the Manhattan Trust Company of New York the amount of Preferred and Common Stock of said Green Bay, Winona and St. Paul Railroad Company specified opposite our names respectively, the certificates of which shall be duly signed by us in blank, with a proxy duly executed in blank, and the Committee is authorized to fill in the name of any member of said Committee or any other person in said proxy, or transfer said shares of stock for the purposes of availing themselves of any right to vote or otherwise use the same, and which shares of stock so deposited with said Manhattan Trust Company of New York shall be held subject to the order of said Committee.

That the members of the Committee shall be reimbursed for any disbursements incurred in carrying out the provi-

sions of this agreement, and shall be entitled to employ counsel and such clerical and other assistance as they shall deem necessary, and to fix the just and proper compensation to be paid therefor.

THIRD.—That for the purpose of discharging the expenses and other obligations of the Committee, each subscriber hereof who shall deposit income bonds with said Manhattan Trust Company of New York agrees to pay to said Committee the sum of ten dollars for each income bond of \$1,000 so deposited; five dollars thereof to be paid to said Manhattan Trust Company at the time of making such deposit, and the remaining five dollars as called by said Committee. Each subscriber hereof who shall deposit a hundred shares of preferred stock, and each subscriber hereof who shall deposit a hundred shares of common stock of said Railroad Company with said Manhattan Trust Company agrees to pay the said Committee the sum of ten dollars for each one hundred shares of either classes of stock so deposited; five dollars thereof to be paid to said Manhattan Trust Company at the time of making such deposit, and the remaining five dollars as called by said Committee (fractional amounts of stock to pay *pro rata*). In case of the failure by any subscriber to pay any installment as called for by the Committee, the Committee is hereby authorized to pledge the security so deposited by the subscriber failing to pay, for the amount due thereon for such period and upon such terms as to the Committee shall seem fair and proper. The Committee may limit the time within which they will receive any of said securities and affix different terms upon which they will receive any tendered thereafter.

FOURTH.—That if during the continuance of this Agreement an opportunity should arise for making an arrangement or settlement of our respective claims under said bonds and stocks and upon terms which said Committee shall consider fair to our respective interests, then and in that event such Committee are authorized to make such arrangement

or settlement accordingly, subject, however, to the right of any subscriber hereto who may dissent therefrom to withdraw his said securities, on surrender of the negotiable certificate issued therefor within a time to be then fixed by said Committee.

FIFTH.—It is further understood and agreed that a certificate shall be issued for each class of securities deposited, of a form to be determined by said Committee, which shall refer to this Agreement and be negotiable, subject, however, to the terms thereof; but no notice of any meeting or of any call of the Committee shall be required to be given to any holder whose address in writing is not lodged with the Trust Company or the Committee.

SIXTH.—That if, during the continuance of this Agreement, any question not herein provided for should arise, relating to any matter growing out of the duties hereby devolved upon the said Committee, it shall be determined by a vote of a majority of the Committee. The Committee may also, in its discretion, submit any question to a meeting of the subscribers called for that purpose; that in the determination of any question arising at such meetings, the votes of a majority in interest of such subscribers or their representatives who shall attend such meeting, shall prevail. In the event of such meeting no notice shall be required to be sent to any subscriber whose address is not lodged with the Trust Company or the Committee as aforesaid; but the action of a majority at said meeting shall be binding equally on those who do not attend as well as on those who do.

SEVENTH.—The Committee are not to be under any obligation, expressed or implied, to any security holder of said Green Bay, Winona and St. Paul Railroad Company, who shall not subscribe this Agreement and deposit his securities with the Manhattan Trust Company of New York, or who shall fail to pay the amount called for, for expenses as hereinbefore provided.



EIGHTH.—It is further understood and agreed that as the members of the Committee either are or may become interested in the securities of said Green Bay, Winona and St. Paul Railroad Company, or in respect to matters about which the Committee will need to take action, such may be the case with future members. All action of the Committee shall be binding and effectual notwithstanding such interest and equally as if it did not exist.

The Committee assumes no responsibility for the accomplishment of the intended purposes; its members only undertake, in good faith, to endeavor to accomplish success, and to protect, to the best of their ability, the rights of the security holders who may become parties hereto. In the event of failure the action of the Committee, so far as taken, shall be binding upon the subscribers. The Committee shall be entitled to reasonable compensation for its services, and at all times to a settlement and discharge in respect to prior action.

It is further agreed that the members of the Committee shall not be required to exercise any discretion or act in pursuance of any powers vested in them except such as they may determine, unless this Agreement is assented to and bonds and stocks deposited by the holders sufficient in amount in the judgment of the Committee to justify some action on their part.

NINTH.—The act of a majority of the Committee at any meeting at which notice has been given to all the Committee shall be considered the act of the Committee, but no member of the Committee shall be individually pecuniarily liable, nor liable for the acts of any other member, nor for anything but his own willful misconduct, nor shall the Committee have power to contract any debts binding upon the subscribers except as in this Agreement provided.

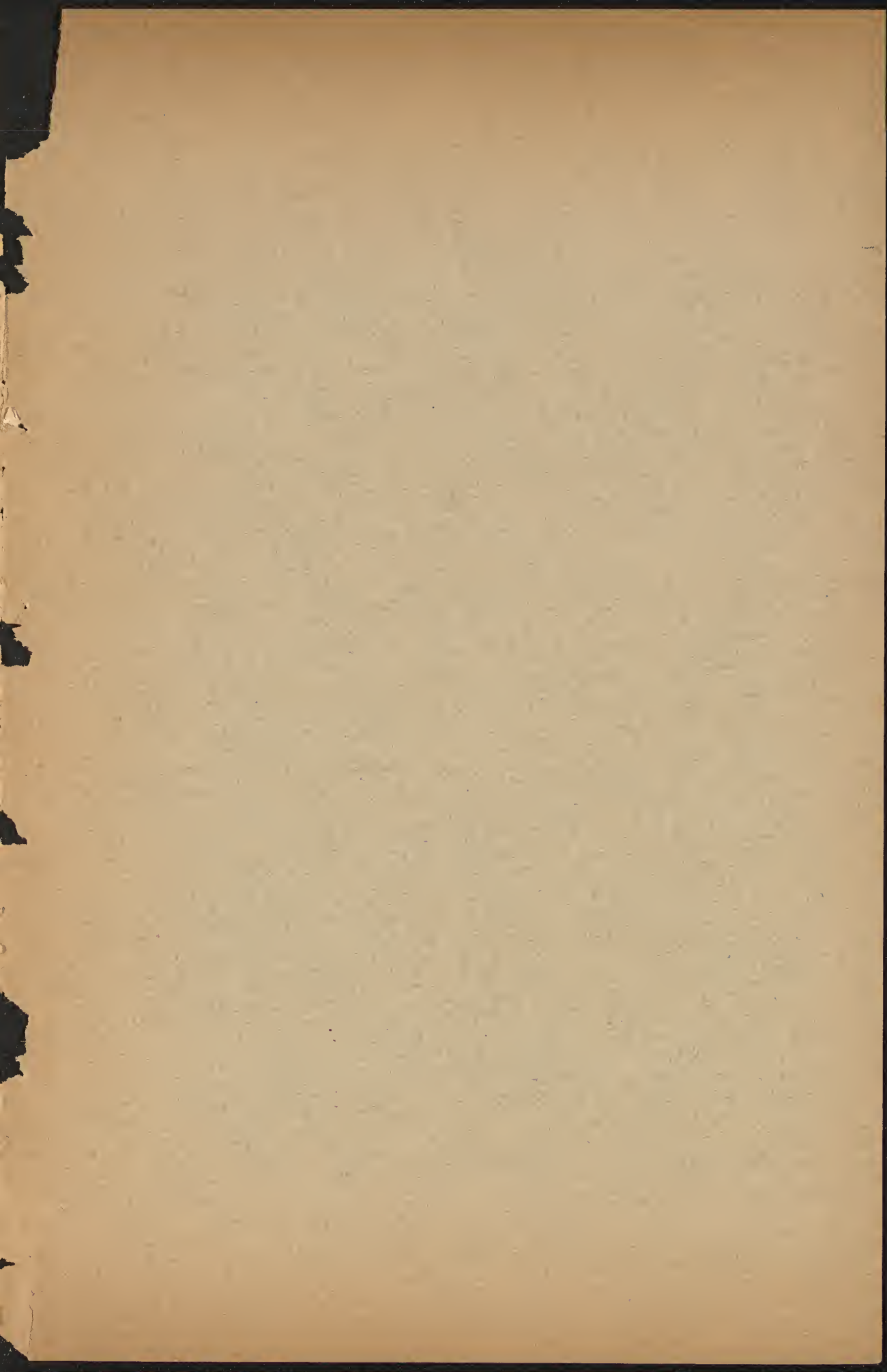
TENTH.—All copies of this Agreement which shall be signed, or the acceptance of the negotiable certificate issued by the Trust Company on the deposit of securities, shall have

the same effect as if the signature of the subscriber had been attached to the original Agreement deposited with said Trust Company. This Agreement shall be construed as containing powers coupled with an interest, and that none of the securities deposited with the Committee, by virtue hereof, can be withdrawn without its consent in the manner and form as herein provided.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this twelfth day of March, one thousand eight hundred and ninety-five.

NAME.	ADDRESS.	INCOME BONDS.	SHARES PREFERRED STOCK.	SHARES COMMON STOCK.









# GREEN BAY, WINONA AND ST. PAUL RAILROAD COMPANY.

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INCOME BONDS.

PREFERRED STOCK.

COMMON STOCK.

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The undersigned beg leave to report to the holders of the above-named securities of the GREEN BAY, WINONA AND ST. PAUL RAILROAD COMPANY that they have entered into a tentative agreement with Mark T. Cox, Chairman, and William J. Hunt, C. Ledyard Blair, a committee of the Consolidated Bondholders of the Green Bay, Winona and St. Paul Railroad Company, under the terms of which the First and the Consolidated Mortgages are to be immediately foreclosed under the direction of said Committee, and the property bought in by them for transfer to a new company, which shall issue the following securities :

Capital Stock.....	\$2,500,000
Class " A " Debentures.....	600,000
Class " B " Debentures.....	7,000,000

All such annual net earnings of the new organized Company as would be applicable to payment of dividends on its stock in any year shall be applied as follows :

1. To the holders of Class " A " Debentures  $2\frac{1}{2}$  per cent. upon the face value thereof.

2. To the Stockholders, the balance of such net earnings up to  $2\frac{1}{2}$  per cent. upon the par value of the stock.

3. To the holders of Class " A " Debentures and the Stockholders *pro rata*, any surplus net earnings until 5 per cent shall have been paid upon the face value of said Debentures and the par of said stock.

4. All surplus net earnings remaining in any year after the payment of Class " A " Debentures and the stock shall be paid to the holders of Class " B " Debentures, *pro rata*. All of such income payments to be non-cumulative.

The said Debentures and stock shall provide that no mortgage shall at any time be placed upon the said railroad franchises and property, nor shall the same be leased or sold

without the consent of the holders of 75 per cent. of the Capital Stock of the new Company at any time outstanding, and in case of any future sale or reorganization of the property, the proceeds of such sale or reorganization shall, after payment of all liens and charges upon the property, be first distributed to and among the holders of Class "A" Debentures and the Stockholders *pro rata*, and any surplus remaining after payment of the face value of Class "A" Debentures and the par of said stock, shall be distributed *pro rata* to and among the holders of Class "B" Debentures. The said Debentures to be in such form and to contain such provisions, not inconsistent with the foregoing, as the counsel for the respective committees may hereafter determine. The details of organization will be determined by the Committee of the Consolidated Bondholders.

Two million five hundred thousand dollars; being all the Common Stock, shall be issued to the holders of the First Mortgage and the Consolidated Mortgage Bondholders of the Green Bay, Winona and St. Paul Railroad Company. The Debentures of each class to be delivered to the undersigned, as provided in the agreement between the two Committees for distribution, as follows:

1. To each holder of \$1,000 Green Bay, Winona and St. Paul Income Bonds who shall surrender his present holdings and pay to the Committee the sum of \$40 in cash, \$40 in Class "A" Debenture Bonds, and \$600 in Class "B" Debenture Bonds.

2. To each holder of 100 shares of Preferred Stock of the Green Bay, Winona and St. Paul Railroad Company, who shall pay to the Committee the sum of \$450 and surrender his present holdings, \$450 in Class "A" Debentures, and \$5,000 in Class "B" Debentures.

3. To each holder of 100 shares of the Common Stock of the Green Bay, Winona and St. Paul Railroad Company, who shall surrender his stock to the Committee and pay an assessment of \$450 in cash, \$450 in Class "A" Debentures, and \$4,500 in Class "B" Debentures.

The proceeds of the assessment will be paid to the new Company, less the amount agreed upon between the two Committees to cover the reasonable charges and expenses of the undersigned, and the whole sum to be applied in discharging prior liens, court costs, expenses of foreclosure, organization of the new Company and to secure needed equipment and appliances, and for the betterments of the property. Any unexpended balance to be placed in the Treasury of the Company and to be used only for its benefit.

Before this plan becomes operative, the assent of 75 per cent. of the securities represented by the Committee is required, though this Committee reserves the right to declare same operative if assented to by a smaller amount.

An underwriting syndicate has been formed who will take over all the Debentures of both classes not subscribed for in excess of above amount.

Security-holders must signify their approval or disapproval of this plan within thirty days from date, and those approving must within that period deposit their holdings and pay the assessment.

Security-holders, failing to become parties to the plan within the time above limited will fail to obtain any rights therein.

All assessments heretofore paid to the Manhattan Trust Company of New York by security-holders under the terms of the Protective Agreement will be credited to such security-holders who participate in this plan and pay their assessment. Scrip will be issued for fractional lots.

The holders of Certificates of the Manhattan Trust Company issued on deposit of either of the aforesaid securities are requested to pay the assessment and to present their certificates to the Manhattan Trust Company and have same duly stamped with the proper assent.

The holders of Income Bonds, Preferred Stock and Common Stock, who have not deposited their securities, are requested to pay the assessment and to deposit their securities forthwith with the Manhattan Trust Company, and receive the usual receipt entitling such holders to participate in the benefits of this plan.

In view of the fact that the holders of the Consolidated bonds have agreed to accept stock in lieu of their mortgage lien on the property, after a careful examination of the property and in view of the fact that there will be no fixed charge on the property ahead of Class "A" Debentures, your Committee earnestly recommends this plan for your acceptance.

Securities may be deposited and assessments paid, up to and including the 25th day of September, 1895, at the office of Manhattan Trust Company, New York City.

NEW YORK, September 11, 1895.

LEOPOLD WALLACH,  
*Counsel.*

JOHN I. WATERBURY,  
*Chairman.*  
MAYER LEHMAN,  
EDWIN S. HOOLEY,  
*Committee.*  
HENRY ZUCKERMAN,  
*Secretary.*





SEPTEMBER 1, 1896.

# AGREEMENT

BETWEEN THE

HOLDERS OF THE IRON CAR EQUIPMENT COMPANY'S  
SPECIAL FIVE PER CENT. CAR TRUST OBLIGA-  
TIONS, THE STATE TRUST COMPANY  
AND EXPRESS COAL LINE.



**Agreement,** made the first day of September, 1896, between the HOLDERS OF THE IRON CAR EQUIPMENT COMPANY'S SPECIAL CAR TRUST OBLIGATIONS (herein called the Obligation Holders); the EXPRESS COAL LINE, a corporation of the State of Georgia, and The STATE TRUST COMPANY, a corporation of the State of New York (herein called the Trust Company).

*Witnesseth:*

**Whereas**, pursuant to an agreement, dated October 10, 1890, between the Iron Car Equipment Company and Frederick P. Olcott and others, as a Committee, said Committee named in said agreement, or its successors, consisting at the present time of E. Scofield, John Crosby Brown, William H. Male, William A. Read, Henry A. V. Post, have become the owners of all of the equipment still existing, embraced in said agreement of October 10, 1890, said equipment consisting of 1,593 box cars, 470 hopper-bottom coal cars, 1,177 gondola coal cars, 388 drop-bottom coal cars and 304 flat cars, in all 3,932 cars, all of which are being used in interstate traffic;

**And Whereas**, said Committee has, pursuant to said agreement, issued certificates known as the Iron Car Equipment Company's Special Car Trust Obligations, of which there are at present outstanding 2,700 certificates of \$1,000 each, amounting to \$2,700,000 (including 15 held by said Committee);

**And Whereas**, by Act of Congress, approved March 2, 1893 (Chap. 196), as amended by the act approved April 1, 1896, it is provided that, on and after January 1st, 1898, it shall be unlawful for any common carrier to use any car in interstate traffic not equipped with automatic couplers and continuous air-brakes, and imposing severe penalties for violations of said law; and said Committee has no funds, nor means of raising funds, necessary to comply with such requirement of law;



Now, Therefore, for the purpose of complying with such law, and of providing the means for the required equipment of said cars, and for the other purposes herein mentioned, it is agreed by and between the parties hereto as follows:

*First.*—In order to carry out this agreement, the Obligation Holders, subscribers hereto, severally agree to deposit in The State Trust Company, at Number 100 Broadway, in the City of New York, the said Iron Car Equipment Company's Special Car Trust Obligations, held by them respectively, to be held and disposed of by said Trust Company under the terms hereof. At the time of such deposit, transferable certificates for such obligations, showing the rights of the respective Obligation Holders thereto, and that said obligations are deposited under and subject to this agreement, shall be delivered to the said Obligation Holders respectively.

*Second.*—The Obligation Holders hereby authorize and request said Committee, and the several members thereof, to sell, assign, transfer and set over unto the Express Coal Line all of the said equipment and all other property held for the Obligation Holders, and all the right, title and interest of the said Committee, and of the several members thereof, therein and thereto. And upon such transfer being made, each and every one of the Obligation Holders, subscribers hereto, does hereby, for himself and his heirs, executors, administrators and successors, sell, assign, transfer and set over unto the Express Coal Line all of his right, title and interest in and to said cars and property, and in and to all of the rights and interests that he now has or may hereafter have, under or arising out of any of said certificates so held by him or them, or out of said agreement of October 10th, 1890. And upon such transfer being made by said Committee, each and every one of the said Obligation Holders, subscribers hereto, does, for himself, his heirs, executors, administrators and successors, hereby release and discharge said Committee, and each and every member thereof, and

each and every person who shall at any time have been a member thereof, from any and all claims and demands whatsoever which, against said Committee or against said present or former members thereof, or either of them he ever had, now has, or which his heirs, executors, administrators or successors hereafter may have, arising out of said agreement of October 10, 1890, or out of the execution thereof, or out of any other contract relating to the said cars or property, or out of the issuance of any of said certificates, or out of any act done at any time in pursuance of any such contract or agreement, nor in relation to any of said cars and property.

*Third.*—The Express Coal Line further agrees that it will immediately, upon said transfer being made to it by said Committee, make, execute and deliver to said Trust Company, to be certified and issued by said Trust Company, as Trustee (1), its gold bonds, to be known as the Class A bonds, to an amount not to exceed \$400,000 of principal, payable at varying dates, bearing interest from January 1, 1897, at the rate of six per centum per annum, payable semi-annually; and (2), its twenty year gold bonds, to be known as the Class B bonds (which are to be subject to the payment of the principal and interest of said Class A bonds), to an amount not to exceed \$2,700,000 of principal, payable January 1st, 1917, bearing interest at the rate of five per centum per annum, payable semi-annually, out of the current net earnings of said cars after the payment therefrom of all current amounts payable on the bonds of Class A; and the principal of said bonds being payable only out of the proceeds of said cars, and any net earnings therefrom not applicable to the purposes aforesaid; and to make, execute and deliver to The State Trust Company, as Trustee, a first mortgage or deed of trust to secure the payment of said bonds of both classes; said bonds and said mortgage or deed of trust to be substantially in the forms which are hereto annexed and made a part of this agreement.

*Fourth.*—The Express Coal Line further agrees that upon said transfers being made to it by said Committee, and upon the execution and delivery of said mortgage or deed of trust by it to said Trust Company, it will, before January 1st, 1898, out of the proceeds of such part of said Class A bonds as may be required, cause all of said cars to be equipped with Westinghouse air-brakes and standard automatic couplers, and will cause said cars to be put into the condition of repairs required by the Master Car-builders' rules, which repairs shall include affixing to said cars new owner plates; according to the terms of said mortgage.

*Fifth.*—Said bonds of Class A are to be certified and delivered to the amount necessary by said Trust Company, upon the order of the Express Coal Line, for the purpose of equipping said cars with air-brakes and automatic couplers, and putting the same in repair, according to the provisions of said mortgage; and said bonds of Class B are to be certified and delivered to the amount necessary by said Trust Company, in payment for the purchase price of said cars and equipment, to the holders of the Trust Company's transferable receipts, at the rate of one \$1,000 bond for each \$1,000 Special Car Trust Obligation, on presentation and surrender at its office of its said negotiable receipts.

*Sixth.*—In order that the necessary funds may be provided to pay all of the obligations, expenses and the reasonable commissions and charges of said Committee in the performance of their duties, under said agreement of October 10, 1890, and in closing up their trust thereunder, and in making their final accounting as such Committee; and to provide for the settlement by said Committee with any of the Obligation Holders who may not assent to this agreement, and to pay the legal charges and expenses, and the charges and expenses of said Trust Company in connection with the preparation and execution of this agreement and of said bonds and mortgage, and the other matters herein referred to, it is agreed (1), that the collections from the operation of said cars by said Committee, prior to the time

of the transfer thereof to the Express Coal Line, as herein provided, may be used by the Committee, in its discretion, for any of the aforesaid purposes; (2), that if said collections shall not be found sufficient for said purposes, the Trust Company shall also apply to said purposes, or any of them, upon the order of said Committee, any of the earnings of said cars that may be collected by the Express Coal Line prior to January 1st, 1897; (3), that if there shall be any deficiency of such collections to meet the requirements of the Committee for the purposes aforesaid, or any of them, the same shall be paid by the Committee by using or disposing of, in such manner as may to said Committee seem best, any of the remaining bonds of Class A or Class B not required for the purposes hereinbefore set forth, or the proceeds thereof, arising from any public or private sale, that may be made by said Committee, in its discretion, provided, however, that no bonds of Class A shall be required or used by the Committee for any of said purposes until all remaining bonds of Class B shall have been first disposed of; and (4), that if the said net proceeds and said remaining bonds of both classes shall be found insufficient for said purposes, then any balance required therefor shall be paid by the Express Coal Line out of any earnings of said cars, as a part of the expenses thereof. And it is agreed that the decision of the Committee, or a majority thereof, as to what shall constitute its said obligations, expenses and its reasonable charges and commissions, and as to what payments and settlements shall be made to and with any such non-assenting bondholders, and as to said legal and other charges and expenses, and as to all other things relating to the closing of the affairs of said Committee, and all payments and settlements made in pursuance of any such decisions, shall be conclusive and binding on all Obligation Holders subscribers hereto, their heirs, executors, administrators and assigns.

Said Committee shall deliver to the said Trust Company any Special Car Trust Obligations that may come into its possession in pursuance of any settlement with Obligation Holders, or otherwise. Said Trust Company



shall retain all Special Car Trust Obligations coming into its possession until all of such obligations outstanding shall have been delivered to it, whereupon it shall cancel all thereof. Any collections from the operation of said cars by said Committee, prior to the time of the transfer thereof to the Express Coal Line, and any earnings of said cars that may be collected by the Express Coal Line, prior to January 1st, 1897, which may not be required by said Committee for the purposes mentioned in this paragraph, shall be turned over to the Trust Company to be applied to the payment of the principal and interest of the outstanding bonds of Classes A and B as the same shall fall due. If any bonds of either class shall remain in the possession of the Trust Company, and shall not be required for any of the purposes mentioned in this paragraph, the same shall be cancelled by the Trust Company.

*Seventh.*—The Express Coal Line agrees that it will, until the payment of said bonds, both principal and interest, operate said cars, paying the expenses thereof, and will pay over the net revenue thereof to said Trust Company, or its successors in trust, according to the provisions set forth in said mortgage, to be applied by said Trust Company to the payment of the principal and interest of said bonds of Classes A and B according to the terms thereof and of said mortgage.

*Eighth.*—If, in the course of the execution of this agreement, questions, difficulties and obstacles arise not herein contemplated and provided for, in order to effectuate the main purposes and objects of this plan and agreement, it is further expressly provided that, if it shall appear impracticable to execute and carry out the provisions thereof, or any of them, literally and strictly, it shall not for that reason be permitted to fail, but it shall be executed according to the substantial purpose and meaning thereof as interpreted by the Committee, and as near thereto as, in its judgment, may be reasonably practicable; and for this purpose the said Committee, preserving the substantial rights of the several parties interested therein, shall have

power to supply and remedy any defect in the plan that may hereafter appear, and to amend any of the provisions hereof, and of the forms of the bonds, and of the mortgage attached hereto; and it may exercise its discretion in respect to all matters not herein expressly provided for. The said Committee may and shall decide all questions that may arise as to the construction of this instrument, or any part thereof, and its decision shall be final and binding upon all parties in interest.

*Ninth.*—In case this agreement shall not be accepted by said Committee, by its consenting to make the transfer provided for in the second paragraph hereof, within a time that shall be deemed reasonable by said Trust Company, then said Trust Company shall return said Special Car Trust Obligations to the several holders of its negotiable receipts therefor, upon the surrender of said receipt to said Trust Company, at its office in the City of New York, and upon the payment by the holders thereof of their respective proportionate parts of the charges and expenses of the Trust Company, and of the legal expenses to that time incurred in connection with this agreement.

*Tenth.*—All copies hereof which may be signed by any of the Obligation Holders, and delivered to the Trust Company, shall have like effect as if their signatures were hereto subscribed, and the deposit of Special Car Trust Obligations by the holders thereof with the Trust Company shall constitute the depositors parties hereto, with like effect as if they had signed this agreement.

~~In Witness Whereof~~, Said Express Coal Line and The State Trust Company have caused their corporate seals to be hereto affixed, and this instrument to be signed by their Presidents, and the Obligation Holders have hereunto subscribed their names and set opposite thereto their addresses and the amounts of said Special Car Trust Obligations held by them respectively, this first day of September, 1896.

NAMES.	ADDRESSES.	AMOUNTS.

EQUIPMENT MORTGAGE  
of the  
EXPRESS COAL LINE  
to  
THE STATE TRUST COMPANY.

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**Indenture**, dated this first day of September, eighteen hundred and ninety-six, by and between the EXPRESS COAL LINE, a corporation of the State of Georgia, party of the first part, and THE STATE TRUST COMPANY, a corporation of the State of New York, hereinafter called The Trustee, party of the second part;

**Whereas**, it has been agreed that this deed of trust or mortgage shall be created to secure the purchase money for certain railroad equipment and rolling stock to be acquired by the Express Coal Line, and to secure the money required to equip said cars with automatic couplers and continuous air-brakes, and to repair the same, according to the provisions of an agreement between the holders of the Iron Car Equipment Company's Special Car Trust Obligations, the Express Coal Line and The State Trust Company, dated September 1st, 1896;

**And Whereas**, at a meeting of the Board of Directors of the Express Coal Line, held on the eleventh day of August, 1896, the following preamble and resolutions were unanimously adopted:

"Whereas, in order to provide for the use and ownership by the Express Coal Line of certain railroad equipment and rolling stock now held by a Committee, consisting of John Crosby Brown and others, under an agreement dated October 10th, 1890, between the Iron Car Equipment Company and said Committee, and to secure the payment of the purchase money of such equipment and rolling stock, it is necessary for this Company to issue its bonds to an amount not to exceed \$2,700,000;

"And Whereas, in order to equip all of said rolling stock with air-brakes and with automatic couplers, and comply with the Act of Congress approved March 2, 1893



(Chapter 196), as amended, and to put said cars in a proper condition of repair, it is necessary for this Company to issue its prior lien bonds to an amount not to exceed \$400,000;

“Therefore, be it Resolved, that this Company make and issue its prior lien bonds (to be known as its Class A Bonds) to an amount not to exceed \$400,000, payable in gold coin of the United States, of the present standard of weight and fineness, to be dated on the first day of September, 1896, and to become due—

15 bonds of \$1,000 each, to become due July 1st, 1897,  
 15 bonds of \$1,000 each, to become due January 1st, 1898,  
 16 bonds of \$1,000 each, to become due July 1st, 1898,  
 17 bonds of \$1,000 each, to become due January 1st, 1899,  
 16 bonds of \$1,000 each, to become due July 1st, 1899,  
 18 bonds of \$1,000 each, to become due January 1st, 1900,  
 18 bonds of \$1,000 each, to become due July 1st, 1900,  
 18 bonds of \$1,000 each, to become due January 1st, 1901,  
 19 bonds of \$1,000 each, to become due July 1st, 1901,  
 19 bonds of \$1,000 each, to become due January 1st, 1902,  
 20 bonds of \$1,000 each, to become due July 1st, 1902,  
 21 bonds of \$1,000 each, to become due January 1st, 1903,  
 21 bonds of \$1,000 each, to become due July 1st, 1903,  
 22 bonds of \$1,000 each, to become due January 1st, 1904,  
 23 bonds of \$1,000 each, to become due July 1st, 1904,  
 23 bonds of \$1,000 each, to become due January 1st, 1905,  
 24 bonds of \$1,000 each, to become due July 1st, 1905,  
 25 bonds of \$1,000 each, to become due January 1st, 1906,  
 25 bonds of \$1,000 each, to become due July 1st, 1906,  
 25 bonds of \$1,000 each, to become due January 1st, 1907,

and bearing interest from the 1st day of January, 1897, at the rate of six per centum per annum, payable semi-annually, in like gold coin, in the City of New York, on the first days of January and July in each year, until the principal sum is paid, each bond to be for \$1,000; all said bonds to be sealed with the corporate seal of the Company, attested by its Secretary, and to be signed in the corporate name of this Company by its President, each of said bonds to have interest coupons annexed, authenticated by the engraved fac simile of the signature of its Treasurer, and to be duly certified by The Trustee of the deed of trust or mortgage, securing all of said bonds and coupons, the bonds and coupons and certificate thereto to be substantially in the form following:

(Form of Class A. Bond.)

\$1,000.00.

No.....

UNITED STATES OF AMERICA,

STATE OF GEORGIA.

EXPRESS COAL LINE.

EQUIPMENT BOND, CLASS A.

Limit of Issue, \$400,000.

The Express Coal Line, for value received, hereby binds itself to pay to the bearer, at The State Trust Company, in the City of New York, on the 1st day of 1, unless this bond be sooner redeemed, one thousand dollars in gold coin of the United States, of the present legal standard of weight and fineness, and to pay interest thereon, in like gold coin, at the rate of six per centum per annum, from the 1st day of January, 1897, upon presentation and surrender at The State Trust Company, in the City of New York, of the annexed coupons, as they severally become due, on the first days of January and July in each year, until said principal sum is paid.

This is one of a series of bonds, known as Class A bonds, of like amount and date, limited to \$400,000, numbered consecutively from 1 to 400, both inclusive, falling due at different dates, all secured in the manner set forth in a deed of trust, or mortgage, dated the 1st day of September, 1896, made between the Express Coal Line and The State Trust Company, Trustee, under which said Trustee acquires, owns and holds, in trust, on behalf of the owners of said bonds, and of certain other bonds of Class B, described in said mortgage, certain railroad equipment and rolling stock purchased by said Express Coal Line, subject to the terms and conditions of which mortgage this bond is issued and held.

Any of the bonds of this issue are subject to redemption, before maturity, at par and interest, on any of the days above specified for the payment of interest thereon; and this bond may be so redeemed, on the Express Coal Line's advertising its intention to redeem the same, in two newspapers published in the City of New York, twice a month for three months, prior to the time of redemption, and inter-

est thereon shall cease from the time which shall be designated for their redemption.

This bond will not become valid until the certificate endorsed hereon has been signed by the trustee of said deed of trust or mortgage.

In witness whereof, the Express Coal Line has caused its corporate seal to be hereto affixed and attested by its Secretary, and this bond to be signed by its President, and the name of its Treasurer to be engraved in fac simile on the interest coupons hereto attached, the 1st day of September, in the year one thousand eight hundred and ninety-six.

EXPRESS COAL LINE,

[SEAL.]

by

*President.*

Attest:

*Secretary.*

(Form of Coupon )

No.

\$30.

The Express Coal Line will pay to bearer, at The State Trust Company, in the City of New York, on the first day of \_\_\_\_\_, in gold of the United States, thirty dollars, being six months' interest on its Equipment Bond, Class A, No.

EXPRESS COAL LINE,

by

*Treasurer.*

(Form of Trustee's Certificate.)

This is to certify that this is one of a series of not more than four hundred bonds, known as the Express Coal Line's Equipment Bonds of Class A, described in the mortgage to The State Trust Company, dated September 1st, 1896, and within referred to.

THE STATE TRUST COMPANY, TRUSTEE,

by

*Trust Officer.*

"And be it further resolved, that this Company make and issue its bonds (to be known as its Class B bonds) to the limit of \$2,700,000, payable in gold coin of the United States, of the present standard of weight and fineness, to be dated on the first day of September, 1896, and to become due on the 1st day of January, 1917, bearing interest from the 1st day of January, 1897, at the rate of five per centum per annum, payable semi-annually, in like gold coin, in the City of New York, on the first days of January and July in each year, until the principal sum is paid, but only out of the net earnings of said cars, and after the payment of all amounts due and payable on said bonds of Class A, according to the terms thereof, each bond to be for \$1,000; all said bonds to be sealed with the corporate seal of the Company, attested by its Secretary, and to be signed in the corporate name of this Company by its President each of said bonds to have interest coupons annexed, authenticated by the engraved fac simile of the signature of its Treasurer, and to be duly certified by The Trustee of the deed of trust or mortgage, securing equally all of said bonds and coupons, the bonds and coupons and certificate thereto to be substantially in the form following:

(Form of Class B Bond.)

\$1,000.00.

No.

UNITED STATES OF AMERICA,

STATE OF GEORGIA,

EXPRESS COAL LINE.

EQUIPMENT BOND, CLASS B.

Limit of issue, \$2,700,000.

The Express Coal Line, for value received, subject to the conditions hereinafter stated, binds itself to pay the bearer, at The State Trust Company, in the City of New York, on the 1st day of January, 1917, unless this bond be sooner redeemed, one thousand dollars, in gold coin of the United States, of the present legal standard of weight and fineness, and to pay interest thereon at the rate of not to exceed five per centum in any one year, from the 1st day of January, 1897, upon the presentation and surrender at The State Trust Company, in the City of New York, of the annexed coupons as they severally become due, on the first days of January and July in each year.



This is one of a series of bonds, known as Class B bonds, of like amount, tenor and date, limited to \$2,700,000, numbered consecutively from 1 to 2,700, both inclusive, all equally secured in the manner set forth in a deed of trust or mortgage, dated September 1st, 1896, made between the Express Coal Line and The State Trust Company, Trustee, under which said Trustee acquires, owns and holds in trust on behalf of the owners of said bonds, and of certain other bonds known as the bonds of Class A, described in said mortgage, certain railroad equipment and rolling stock purchased by said Express Coal Line, subject to the terms and conditions of which mortgage this bond is issued and held.

The interest hereon shall be due and payable only out of the net earnings of said Express Coal Line from said railroad equipment and rolling stock applicable to such purpose under the terms of said mortgage or deed of trust, and is not to be cumulative.

The principal of this bond, and of all of said bonds of Class B, is payable only out of the earnings of said railroad equipment and rolling stock applicable thereto by the terms of said mortgage, and the proceeds of any sale thereof, made pursuant to the terms of said mortgage, and, in case of any deficiency therefrom, to pay the principal of said bonds, said Express Coal Line shall not be liable therefor.

The payment of this bond, both principal and interest, is also subject to the payment, according to their terms, of not to exceed 400 bonds of Class A, of the Express Coal Line, of one thousand dollars each, of even date herewith, secured also by said deed of trust or mortgage to The State Trust Company, and no part of the principal or interest of this bond shall be due or payable until all current amounts due on said bonds of Class A shall have been paid.

Any of the bonds of this issue are subject to redemption before maturity, at par and interest, on any of the days above specified for the payment of interest thereon, and this bond may be so redeemed, on the Express Coal Line's advertising its intention to redeem the same, in two newspapers published in the City of New York, twice a month for three months, prior to the time of redemption, and interest thereon shall cease from the time which shall be designated for their redemption.

This bond will not become valid until the certificate endorsed hereon has been signed by The Trustee of said deed or mortgage.

In witness whereof, the Express Coal Line has caused its corporate seal to be hereto affixed and attested by its Secretary, and this bond to be signed by its President, and the name of its Treasurer to be engraved in fac simile on the interest coupons hereto attached, the first day of September, in the year one thousand eight hundred and ninety-six.

EXPRESS COAL LINE,

by

[SEAL.]

Attest:

*President.*

*Secretary.*

(Form of Coupon.)

No.

The Express Coal Line will pay to the bearer, at The State Trust Company, in the City of New York, on the 1st day of \_\_\_\_\_ not to exceed twenty-five dollars, being six months' interest on its Equipment Bond, Class B, No. \_\_\_\_\_. Such interest is payable only from and out of the net earnings received by The State Trust Company from the Express Coal Line, and applicable thereto under the terms of the mortgage to it, dated September 1, 1896, and only to the extent that such net earnings shall be sufficient to pay said interest upon this coupon and other similar coupons of the same issue and date.

EXPRESS COAL LINE,

by

*Treasurer.*

(Form of Trustee's Certificate.)

This is to certify that this is one of a series of not more than 2,700 bonds, known as the Express Coal Line's Equipment bonds of Class B, described in the mortgage to The State Trust Company, dated September 1st, 1896, and within referred to

THE STATE TRUST COMPANY,

by

*Trust Officer.*

"And be it further Resolved, that for the purpose of securing the payment of the principal of all of said bonds of both classes, and the interest which shall accrue thereon, this Company shall execute and deliver a deed of trust or mortgage to The State Trust Company, as Trustee, bearing date September 1st, 1896, covering all of the said railroad equipment and rolling stock; such deed of trust or mortgage to be, first, for the benefit and security of the holders of all of said bonds of Class A at any time outstanding; and second, and subject to the rights of the holders of said bonds of Class A, such deed of trust or mortgage to be for the benefit and security of the holders of all such bonds of Class B at any time outstanding, without priority, preference or distinction as to lien or otherwise, so that each bond of Class B, issued thereunder, shall have the same right, privilege or lien as if all said bonds had been executed and delivered simultaneously with the execution and delivery of said deed of trust or mortgage.

"And be it further Resolved, that the President is hereby authorized on behalf of this Company and as its act and deed, to affix its corporate seal to the said bonds and to said deed of trust or mortgage, and to sign the same as such President, and to cause such seal, when so affixed, to be duly attested by the Secretary, and to acknowledge and deliver said deed of trust or mortgage, when so executed, and to cause the same to be duly recorded.

"And be it further Resolved, that the President of the Company be, and he is hereby, authorized to do all things necessary to be done by this Company, as its acts; to fully perform and carry out the terms and provisions of the agreement dated September 1st, 1896, by and between the holders of the Iron Car Equipment Company's Special Car Trust Obligations, the Express Coal Line and The State Trust Company, relating to the purchase of said cars by this Company and their equipment and repair."

And Whereas, the Express Coal Line, in pursuance of said resolutions, is about to execute and issue 400 of its prior lien bonds of Class A for \$1,000 each, in the form hereinbefore set forth, and 2,700 of its second lien bonds of Class B for \$1,000 each, in the form hereinbefore set forth, to be secured hereby.

Now, Therefore, in consideration of the premises, and of the mutual agreements hereinafter set forth, and of one dollar paid by each party to the other, it is hereby ex-

pressly agreed, by and between the parties hereto, their successors and assigns, that the said equipment and rolling stock held and acquired by the Trustee, as provided in this indenture, are to be charged with the agreements, and are and shall be held by the Trustee upon the trusts and for the uses and purposes following:

*First.*—The Express Coal Line hereby agrees forthwith to execute and issue, in the forms hereinbefore recited, and to deliver to the Trustee, to be certified and issued by the Trustee for the purposes hereinafter described, bonds of Class A to the amount of \$400,000, and bonds of Class B to the amount of \$2,700,000, and that the certificate of the Trustee upon any of said bonds, to the effect that the bond is one of the series of bonds described in this deed of trust or mortgage, shall be conclusive evidence that such bond has been issued in accordance herewith and is entitled to the security hereof.

*Second.*—The Express Coal Line agrees that it will cause all of said cars to be equipped with Westinghouse air-brakes and with standard automatic couplers, and will cause all of said cars, not now in such condition, to be put into the condition of repair required by the Master Car Builder's Rules, which repair shall include affixing to all of said cars the usual owner plates, on which shall be the following words: "Express Coal Line. Owner. No.," and such equipment, with automatic couplers and air-brakes, shall be such as to fully comply, as to all of said cars, with the requirements of the Act of Congress, approved March 2, 1893, Chapter 196, as amended; and the Express Coal Line agrees that said work of equipment and repair shall begin immediately, and shall proceed with all possible despatch, and that all of said cars shall be so equipped and put into said condition of repair on or before January 1st, 1898.

*Third.*—In order that the funds necessary may be provided for said equipment and repairs, and that the same



may be paid for as said work progresses, the Express Coal Line shall, from time to time, deliver to the Trustee statements of the amounts that shall have been incurred or paid out for the purchase of supplies and material therefor and for the work, labor and other expenses thereof; to the amount of each of such statements shall be added ten per centum thereof for the services of supervision of the said work and for the advances attendant thereon; said statements shall be accompanied by suitable vouchers, and the truth thereof shall be sworn to by the President or Treasurer of the Express Coal Line. Upon the receipt from the Express Coal Line of any such statement or statements, the Trustee is hereby authorized and required to certify and deliver to the Express Coal Line, or its order, bonds of Class A at par, to the total amount of such statement or statements; provided, however, that the Express Coal Line shall cause said work of equipment and repair to be completed within the time above specified, for no other or further consideration than the issuance of said bonds of Class A, as above provided. Any remaining bonds of Class A that shall not have been required for the aforesaid purposes, on or before January 1st, 1898, shall be by the Trustee certified and delivered upon the order of the Chairman of said Committee of the holders of the Iron Car Equipment Company's Special Car Trust Five Per Cent. Obligations, dated October 10, 1890, or its successors, and any of said bonds of Class A that shall not be required by said Committee shall be cancelled by said Trustee.

*Fourth.*—The Trustee shall certify and deliver said bonds of Class B in payment for the purchase price of said cars and equipment, to the holders of its transferable receipts, heretofore issued to the holders of the Iron Car Equipment Company's Special Car Trust Five Per Cent. Obligations, at the rate of one one thousand dollar bond of Class B for each such one thousand dollar Special Car Trust Obligation, upon the surrender of such certificates to the Trustee, at its office in the City of New York, for cancellation. Any remaining bonds of Class B that shall not

have been required for the aforesaid purposes shall be by the Trustee certified and delivered upon the order of the Chairman of said Committee of the holders of the Iron Car Equipment Company's Special Car Trust Five Per Cent. Obligations, and any of said bonds of Class B that shall not be required by said Committee shall be cancelled by said Trustee.

*Fifth.*—The Trustee agrees with the Express Coal Line that, so long as there is no default by the Express Coal Line in the payment of principal or interest on any of the bonds secured by this indenture, or other payments herein provided for, or in respect to any agreement in said bonds or herein contained, and so long as there is no proceeding of any kind against the Express Coal Line for the appointment of a receiver, or for the foreclosure of any deed of trust or mortgage, the Express Coal Line shall have, and is hereby given, the possession and use of the railroad equipment and rolling stock now or at any time acquired by The Trustee hereunder, with the right to receive the earnings thereof.

*Sixth.*—The Express Coal Line agrees with The Trustee, and with the holders of bonds and coupons issued hereunder, that it will hold and use said railroad equipment and rolling stock in accordance with the provisions of this indenture, and will not transfer possession of any thereof to any other persons or corporations, except temporarily, in the usual course of traffic. The Express Coal Line agrees that it will insure all said railroad equipment and rolling stock, for the benefit of The Trustee, for such amounts as other similar railroad equipment and rolling stock are usually insured, and will keep the same so insured until the bonds hereby secured are fully paid, and will deposit the policies of insurance or certificates thereof with The Trustee.

*Seventh.*—Out of the gross revenue so collected the Express Coal Line agrees to pay the current operating ex-

penses of such use and operation; to keep said cars in good order and in such condition of repair as may be required by the Master Car Builders' Rules; to furnish said cars with all necessary supplies, and to pay the cost and expense thereof, together with the taxes, insurance, legal and all other expenses attendant upon or resulting from said business, and all loss and damage arising therefrom, and any and all amounts that may be required to meet the obligations, expenses and compensation of said Committee of the Holders of the Iron Car Equipment Company's Special Car Trust Five Per Cent. Obligations of October 10th, 1890, according to the provisions of said agreement of September 1st, 1896; and any and all amounts so paid out by the Express Coal Line for any of said purposes, together with an addition of seven and one-half per centum per annum of the gross earnings, to cover the cost and services of the supervision of said business, shall be by said Express Coal Line deducted and retained by it from said gross revenue; and the net revenue, after making all of such payments and deductions, shall be paid over by the Express Coal Line to The Trustee.

The Express Coal Line agrees that it will, on the first days of January and July in each year, deposit with The Trustee written statements of account for the next preceding six months' periods showing in detail its receipts and payments in the operation of said railroad equipment and rolling stock, and like statements showing the numbers and description of all railroad equipment and rolling stock subject to the lien of this mortgage. Said statements shall be subject to the inspection of any holder of any bonds secured hereby during all reasonable hours.

*Eighth.*--The Trustee agrees that until the payment of all the bonds of Class A secured hereby it will, during each period of six months ending June 30th and December 31st in each year, beginning with the six months' period ending June 30, 1897, first set aside out of the net earnings so received by it from the Express Coal Line a sum of

money which shall be sufficient to pay the semi-annual interest next to fall due on all said bonds of Class A then outstanding, and the principal of all outstanding bonds of Class A which are to fall due on the next interest day, and out of said fund, or if the same shall not be sufficient, then out of any other of said net earnings that The Trustee may have received from the Express Coal Line, it shall pay said interest and principal of said bonds of Class A when the same shall fall due, according to the terms thereof, upon the surrender of the coupons therefor to The Trustee at its office in the City of New York for cancellation.

*Ninth.*—The Trustee shall, at the end of each such six months' period, determine and declare the amount, if any, of such net earnings remaining in its possession, after providing for the said next payments of principal and interest of bonds of Class A, which amount shall be to the extent that the same may be necessary, paid by it to the holders of the interest coupons of the bonds of Class B which next fall due, equally and without preference of any such coupon over another, upon the surrender of the coupons therefor to The Trustee at its office in the City of New York for cancellation. The Trustee shall give notice of the amount so declared and to be paid on each coupon of Class B by advertisement in a newspaper published in the City of New York.

*Tenth.*—If, at the end of any of said six months' periods, after providing for the payment of the principal and interests of the bonds of Class A falling due on the next interest day, as aforesaid, and after providing for the payment in full of the interest next falling due on the bonds of Class B, there remain in the possession of The Trustee a surplus of such net revenue, The Trustee shall, if so directed by the Express Coal Line, apply any such surplus to the redemption, and shall redeem any of either said bonds of Class A or Class B, before the expiration of the period limited for the maturity thereof, on any days



therein specified for the payment of interest thereon, by paying to the respective holders of said bonds the principal sum mentioned therein, together with interest thereon to that day, upon the presentation of the said bonds and the coupons belonging to the same at The State Trust Company in the City of New York, and upon the surrender of said bonds and coupons to The State Trust Company for cancellation; provided, however, that The State Trust Company shall give public notice of its intention to redeem said bonds by an advertisement specifying the particular numbers thereof, and published in two newspapers published in the City of New York, twice a month for at least three months previous to the date fixed for such redemption; and from the time fixed for such redemption interest upon the said bonds, respecting which such public notice shall be given, shall cease, unless upon their presentation The Trustee shall fail to redeem the same as aforesaid; and provided also, that no bonds of Class B shall be so redeemed before maturity unless and until all of the outstanding bonds of Class A shall have been first redeemed or paid.

*Eleventh.*—If, at any time or times, the Express Coal Line should desire to obtain any of such rolling stock free from the liens and obligations of this mortgage or deed of trust, then The Trustee is authorized and required to release the same or any part thereof to the Express Coal Line free from all liens and obligations thereof on the Express Coal Line; delivering to The Trustee for cancellation, an amount of the outstanding Class B bonds at their par value proportionate to the value of the cars so desired to be released, and for such purpose the said cars are valued as follows:

1,593	box cars, at \$770 .....	\$1,225,510
470	hopper bottom cars, at \$800.....	376,000
1,177	gondola cars, at \$600.....	706,200
388	drop bottom cars, at \$650.....	252,200
204	flat cars, at \$500.....	152,000
<hr/>		
3,932		\$2,711,910

and an amount of Class A bonds at their par value, equivalent to the amount of the repairs placed upon said cars for which said bonds were issued, and also proportionate to the amount of said Class A bonds previously cancelled. All bonds so received by The Trustee in payment for cars shall be cancelled.

*Twelfth.*—If the Express Coal Line shall fail to pay the principal or any interest, of any of the bonds hereby secured, or any of the other payments provided for herein within ninety days after the same shall become payable, or if the Express Coal Line shall fail for ninety days to keep or perform any of its agreements contained herein, or in any of the bonds secured hereby, or if proceedings of any kind shall be commenced against the Express Coal Line for the appointment of a receiver, or for the foreclosure of any deed of trust or mortgage of the Express Coal Line, then, and in any of such events, The Trustee may, in its discretion, and shall, upon the written request of the holders of one-fourth in amount of the bonds secured hereby, and then outstanding, and upon adequate security and indemnity against all costs, expenses and liabilities to be by it incurred, forthwith do any or all of the things following, namely:

(1). Demand of the Express Coal Line, and of any other person or corporation then having the same, the immediate possession of any or all of the existing railroad equipment and rolling stock covered by the provisions of this indenture, and with such force as may be necessary, enter upon any premises where the same or any part thereof may be, and take immediate and maintain exclusive possession of any or all of said railroad equipment and rolling stock, and upon such retaking thereof, hold and use, or operate the same, or lease the same, or otherwise contract for the use thereof, making from time to time all proper repairs thereof, and paying insurance, taxes, and other necessary expenses connected therewith, and receive the earnings, rentals and profits thereof.

(2). After such retaking, proceed with or without the order or decree of a court of equity or other competent court having jurisdiction in the premises, to sell and distribute the proceeds arising from said sale, as hereinafter provided, any or all of said railroad equipment and rolling stock at public sale in such lots or amounts, on such notice and at such times and at such places as The Trustee or Court may determine, and adjourn any sale from time to time, and upon any such sale, to transfer and deliver any property sold to the purchaser thereof by good and sufficient instrument of transfer, but without liability to see to the application of the purchase money, and without obligation to inquire into the necessity, expediency or authority of any such sale, which sale shall be a perpetual bar, both in law and equity, against The Trustee and against the Express Coal Line and against all persons claiming under either of them.

*Thirteenth.*—The Express Coal Line further agrees that, in case of any default on its part hereunder, all the earnings of said railroad equipment and rolling stock shall then and thereafter be payable to The Trustee and be applied by it as if received for the use thereof after a retaking under the provisions hereof; and the Express Coal Line agrees forthwith, upon such default, to give notice to the Railroad Clearing House Association and any railroad companies which at the time shall hold or owe any moneys for the service or use of the said railroad equipment and rolling stock, to pay over all such moneys to The Trustee, and hereby authorizes The Trustee to receive the same and to give such notice with like effect as if given by the Express Coal Line. Such notice shall not be necessary to enable The Trustee to collect and receive such earnings in case of any such default.

*Fourteenth.*—In the event of any default by the Express Coal Line in respect to any of the bonds hereby secured, or in any of its agreements herein contained; The Trustee may, in its discretion, and upon the written request of holders of one-fourth in amount of said bonds of the class in default

then outstanding, and upon security and indemnity as aforesaid, shall, in its own name or otherwise, such default continuing, proceed to protect the rights and enforce the remedies of the holders of bonds secured hereby by proceedings in equity or at law, in aid of the execution of powers herein granted, or for the enforcement of any other lien, right or remedy, as The Trustee, being advised by counsel, shall deem most effectual; it being understood, and hereby declared, that the provisions for retaking and sale hereinbefore set forth do not in any way deprive The Trustee or the beneficiaries under this trust of any legal or equitable remedy by judicial proceedings, consistent with the provisions of this indenture, nor waive or affect any lien or right which shall, by virtue hereof or otherwise, at any time be vested in The Trustee or in the holders of bonds secured hereby.

It is hereby further declared and agreed, that no holder of any bond secured hereby shall, at any time, have the right to institute any suit, action or proceeding in equity or at law for the foreclosure of this indenture or the execution of the trusts hereof, or for the appointment of a receiver or for any other remedy, unless one-fourth in amount of the holders of bonds then outstanding, and interested in such proceeding, shall have made request in writing to The Trustee to proceed to exercise the powers hereinbefore granted, or to institute in its own name such a suit, or proceeding, and shall have offered to The Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred therein by The Trustee, and The Trustee shall have failed to comply with such request within a reasonable time thereafter.

*Fifteenth:*—The Express Coal Line agrees that, in case of any default upon its part as aforesaid, it will not set up, claim, or seek to take advantage of any present or future valuation, stay of execution, appraisement or extension laws, which might prevent or delay the exercise of the right of The Trustee to retake possession of any of the railroad equipment or rolling stock covered hereby, or to operate, use, lease or otherwise contract with regard to the



use of the same, or to sell any of the property covered hereby, or which might prevent or delay the immediate enforcement or foreclosure of this indenture, or the absolute sale and delivery of any of said property under any proceedings for such purpose, but hereby irrevocably waives the benefit of all such laws; and also hereby irrevocably waives all right to have any of the property covered hereby marshalled upon any foreclosure sale thereof, and consents that the same may be sold either as a whole or in such lots or amounts as may be determined by The Trustee or by any court of competent jurisdiction.

*Sixteenth.*—It is agreed between the parties hereto that at any sale of any of the railroad equipment and rolling stock covered hereby, whether made by The Trustee or by judicial authority, The Trustee may bid for and purchase any of the property so sold, or cause the same to be bid for and purchased, on behalf of all the holders of the bonds of either class hereby secured and then outstanding, in the ratio of the respective interests of such bondholders, at a reasonable price, if but a portion thereof be sold, or if the whole thereof be sold, then at a price not exceeding the total amount of the principal of such bonds of that class then outstanding, with the interest accrued thereon and the expenses of such sale; and that in the event of the purchase of any of said property by The Trustee, the right and title thereto shall vest in said Trustee, in trust for the purchasers, and each holder of bonds or coupons joining in said purchase, and contributing his proportion of the expenses thereof, shall have an interest in the property so purchased, in the ratio that his bonds and coupons bear to all the bonds and coupons hereby secured then outstanding.

*Seventeenth.*—It is further agreed between the parties hereto that in the case of a sale of any of the property covered hereby, whether made by The Trustee or by judicial authority, any purchaser, after making a cash payment sufficient to cover the costs and expenses of the sale, and

all other charges which must be provided for in cash, shall have the right, in completing payment, to apply thereon any of the bonds or coupons secured hereby, and entitled to share in the net proceeds of such sale, counting such bonds and coupons for that purpose at the sum which shall be payable thereon out of such net proceeds; if such sum so applied on Class A bonds shall be less than the amount then due upon such bonds or coupons, to make settlement by receipting upon all such bonds or coupons the amount to be credited thereon, as aforesaid.

*Eighteenth.*—It is agreed between the parties hereto that The Trustee, after deducting from the net income from such use of said railroad equipment and rolling stock, and from the net proceeds of any sale thereof, all proper costs, charges and disbursements, including attorney and counsel fees, and all expenses, advances or liabilities for repairs, insurance, taxes, or assessments, and reasonable compensation for its own services, shall apply the remainder of such net proceeds to or towards the payment or discharge of the principal and interest at such time unpaid upon the bonds hereby secured, then outstanding, whether or not the principal be then due by the terms of the bonds, and without preference of principal over interest or of interest over principal, and that The Trustee shall pay to the Express Coal Line any surplus which may remain after the full satisfaction of the principal and interest of all of said bonds.

*Nineteenth.*—It is agreed between the parties hereto that, after any default for ninety days on the part of the Express Coal Line in any payment required by any bond of Class A hereby secured or by any of the provisions hereof, the holders of a majority in amount of the bonds of Class A secured hereby, then outstanding, may, by instrument in writing, at any time while the default continues, declare the principal sum of all of said bonds to be due, or may waive, or instruct The Trustee to waive, on behalf of all the holders of said bonds, on such terms and

conditions as such majority may deem proper, the right so to declare such principal sum due, and may in like manner annul a previous declaration, provided such principal sum shall not have become due upon a retaking or sale of property covered hereby, and may in like manner annul a previous waiver, and such principal sum shall become due or cease to be due according to the declaration of annulment; provided further that no such action of bondholders or of The Trustee shall affect any subsequent default or impair any rights or remedies resulting therefrom.

It is further agreed between the parties hereto that in the event of The Trustee's retaking possession hereunder of any of the railroad equipment or rolling stock hereinbefore referred to, or in the event of any sale thereof, by reason of any default on the part of the Express Coal Line, whether such sale be by The Trustee or by judicial authority, then, and in either case, the principal sum of all the bonds of both classes secured hereby then outstanding shall forthwith become due and payable, anything in said bonds or herein contained to the contrary notwithstanding.

*Twentieth.*—It is agreed between the parties hereto that the trusts created by this instrument are accepted on the express condition that The Trustee shall not incur any liability or responsibility whatever in consequence of allowing the Express Coal Line, or any railroad company under it, through lease, contract or otherwise, to have or retain possession or use of the railroad equipment and rolling stock covered hereby; and that The Trustee shall not be liable for any destruction, deterioration, loss or damage to any of the property covered hereby, nor for any act, fault, or misconduct of any agent or person employed by it, unless chargeable with palpable negligence in their selection or in their continuance in employment; nor for any error or mistake made by it in good faith, but only for gross negligence or wilful default in the discharge of its duties as Trustee. No duty shall rest upon The Trustee to file or record this indenture, or to see to the insurance of any of the property herein referred to, or to the payment of any taxes thereon.

Also, that in case The Trustee shall retake possession of any of the property covered hereby, and shall use or operate the same as hereinbefore provided, it shall be indemnified out of the moneys and property which shall come into its hands, as aforesaid, for all claims and demands against it arising from such fault or misconduct of its officers, agents or employees, and that in all cases The Trustee shall be authorized to pay such reasonable compensation as it may deem proper to all attorneys, agents and servants whom it may reasonably employ in the management of the trust; and that The Trustee shall have just compensation for all services which it may render in connection with the trust, to be paid out of the trust estate.

*Twenty-first.*—It is agreed between the parties hereto that The Trustee may resign from the trust hereby created by mailing notice to the Express Coal Line, and advertising the same at least once a week for four successive weeks in two daily journals of general circulation published in the City of New York, the resignation to take effect as soon as a new Trustee is appointed; also that The Trustee may be removed at any time by an instrument in writing signed by a majority in interest of the holders of the bonds secured hereby and then outstanding.

It is further agreed that in case The Trustee shall resign, or be removed as herein provided, or by a court of competent jurisdiction, the holders of a majority in amount of said bonds, then outstanding, shall have authority by instrument in writing to appoint a new Trustee to fill the vacancy; and that until such appointment by bondholders, the Board of Directors of the Express Coal Line may appoint a Trustee to fill such vacancy for the time being, subject to the right of the holders of a majority in amount of said bonds to annul such appointment and appoint a new Trustee. If a vacancy in the office of Trustee shall remain unfilled for thirty days, any owner of a bond secured hereby may, on not less than ten days' notice to the Express Coal Line, apply to the Circuit Court of the United States, for the Southern District of New York, for the appointment of



a new Trustee. Each new Trustee, however, appointed must be a Trust Company incorporated under the laws of the State of New York, and doing business in the City of New York.

Every new Trustee shall, immediately upon appointment, and by virtue thereof, be vested with all the property, estate, rights, powers and discretions of The Trustee whom it succeeds.

*Twenty-second.*—Any request, declaration, annulment or appointment herein provided to be made by owners of bonds secured by this indenture, shall be by instrument or instruments in writing, and must be signed by the bondholder or his attorney duly authorized for the purpose, and proved by the certificate of a notary public, or other officer authorized to take acknowledgments of deeds that each person signing the same acknowledged the execution thereof, and made oath before him to the ownership of the bonds by the person claiming to own the same. Every power under which an attorney shall sign any such instrument must be proved by a like certificate as to the execution thereof, and must be filed with the instrument so signed. With respect to every request, declaration and annulment, The Trustee may require all persons claiming to be bondholders, except registered bondholders, to produce their bonds or give other evidence of ownership satisfactory to The Trustee. Meetings of bondholders for action under the provisions of this indenture may be called by The Trustee, and shall be called upon request of owners of not less than five hundred thousand dollars in amount of said bonds, who may themselves call such meeting upon failure of The Trustee to comply promptly with such request. Such meetings shall be held at the office of the Trustee, in the City of New York, unless otherwise directed by such bondholders.

*Twenty-third.*—Each of the parties hereto agrees with each of the others, and with all the persons, firms and cor-

porations that shall at any time become holders of bonds or coupons, secured by this indenture, that they will at any time, upon reasonable request, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of this indenture, and to transfer to any new Trustee the property held in trust hereunder.

*Twenty-fourth.*—It is understood and agreed between the parties hereto that the words “The Trustee,” as used in this indenture, shall always be construed to mean The Trustee for the time being; also that the words “instrument in writing,” as used in this indenture, with respect to the execution thereof by bondholders, shall be construed to mean any instrument, or any number of similar instruments, signed by bondholders or their attorneys in fact, authorized to sign the same.

*Twenty-fifth.*—The Trustee agrees that if the Express Coal Line shall pay the interest on all the bonds at any time issued hereunder, and shall pay all other amounts payable under the provisions hereof, and shall keep and perform all the agreements and undertakings on its part herein set forth or arising by virtue hereof, according to the true intent and meaning of this indenture, and if the Express Coal Line shall pay the principal sum of all of said bonds when the same shall mature, or be declared, or become due under any provisions hereof, then, and upon the payments aforesaid, all of the said railroad equipment and rolling stock then owned and held by The Trustee shall forthwith become the property of the Express Coal Line; and The Trustee shall thereupon execute and deliver such instrument or instruments in writing as shall be necessary or proper in the opinion of counsel of the Express Coal Line to convey said property to the Express Coal Line, and release the same from all liens created by this deed of trust or mortgage, and to discharge this indenture from record.

*Twenty-sixth.*—The Trustee hereby accepts the trusts created by these presents, and agrees to execute the same in accordance with the true intent and meaning of this indenture.

In witness whereof, each of the parties hereto has caused its corporate seal to be hereto affixed and attested by its Secretary, and this instrument to be signed by their duly authorized officers on this first day of September, 1896.

EXPRESS COAL LINE,

by

*President.*

(Corporate Seal.)

Attest:

*Secretary.*

THE STATE TRUST COMPANY,

by

(Corporate Seal.)

Attest:

*Secretary.*

STATE OF NEW YORK, }  
City and County of New York, } ss.:

On this                      day of  
eighteen hundred and ninety-six, before me appeared  
   the                      and  
   the                      of the  
Express Coal Line, to me personally known, and known to  
me to be the individuals described in and who executed the

foregoing instrument as such officers, and who, being by me first duly sworn, said: The said

that he resides in the City of \_\_\_\_\_,  
and that at the time of the execution of the foregoing instrument he was and still is the  
of the said Express Coal Line; and the said

that he resides in the City of \_\_\_\_\_,  
and that at the time of executing the foregoing instrument he was and still is the \_\_\_\_\_ of the said Express Coal Line, and each of them; that he knew the corporate seal of said Express Coal Line; that the seal affixed to the foregoing instrument was such corporate seal, and was thereto affixed by order of the Board of Directors of said Express Coal Line, and that he signed his name thereto by like order as such officer; and the said

and the said  
also acknowledged the execution of the foregoing instrument for and on behalf of said Express Coal Line.

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STATE OF NEW YORK, }  
*City and County of New York,* } ss.:

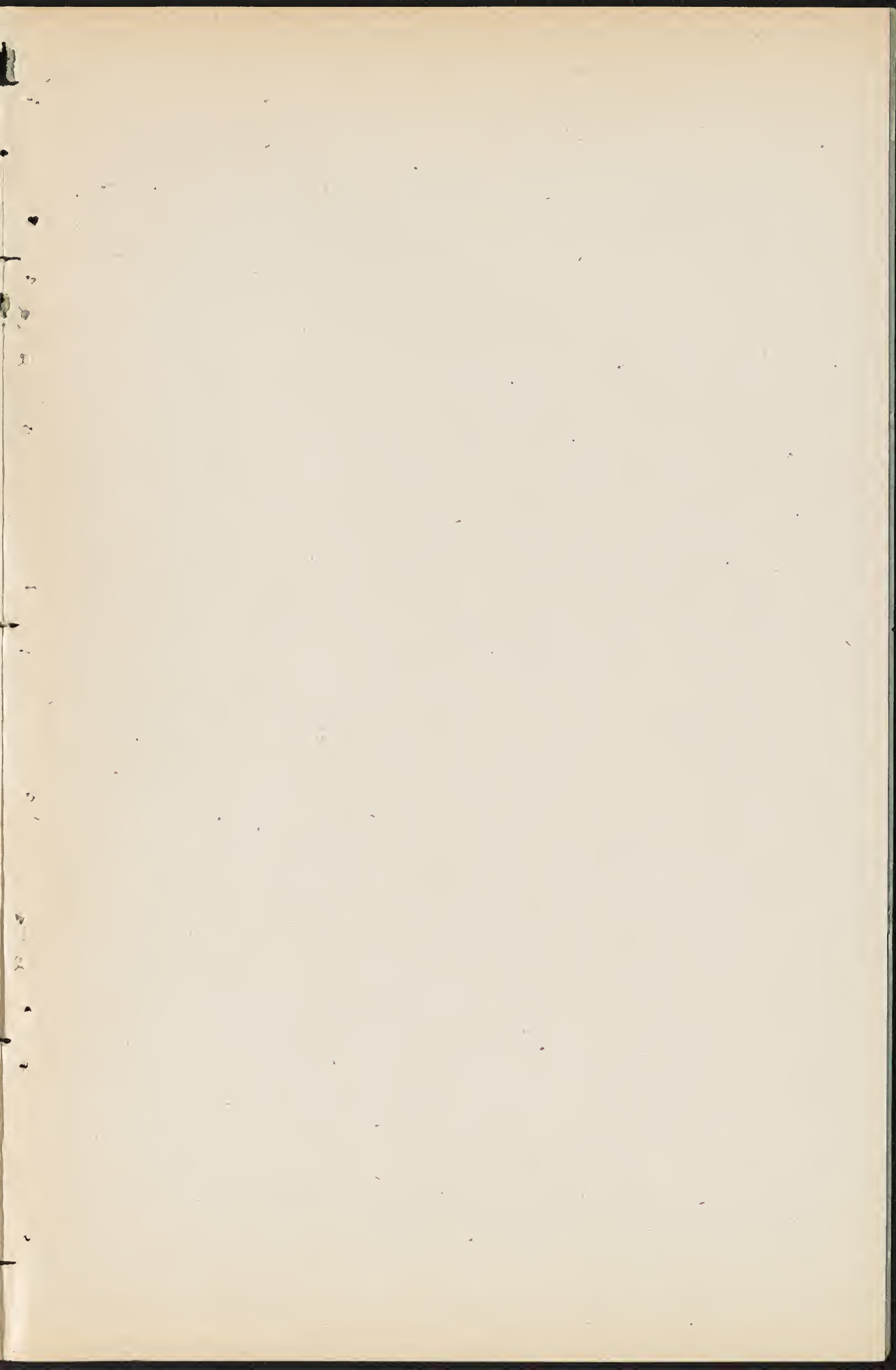
On this \_\_\_\_\_ day of \_\_\_\_\_,  
eighteen hundred and ninety-six, before me appeared  
the \_\_\_\_\_ and  
the \_\_\_\_\_ of the  
State Trust Company, to me personally known, and known to me to be the individuals described in and who executed the foregoing instrument as such officers, and who, being by me first duly sworn, said: The said

that he resides in the City of \_\_\_\_\_,  
and that at the time of the execution of the foregoing instrument he was and still is the  
of the said State Trust Company; and the said

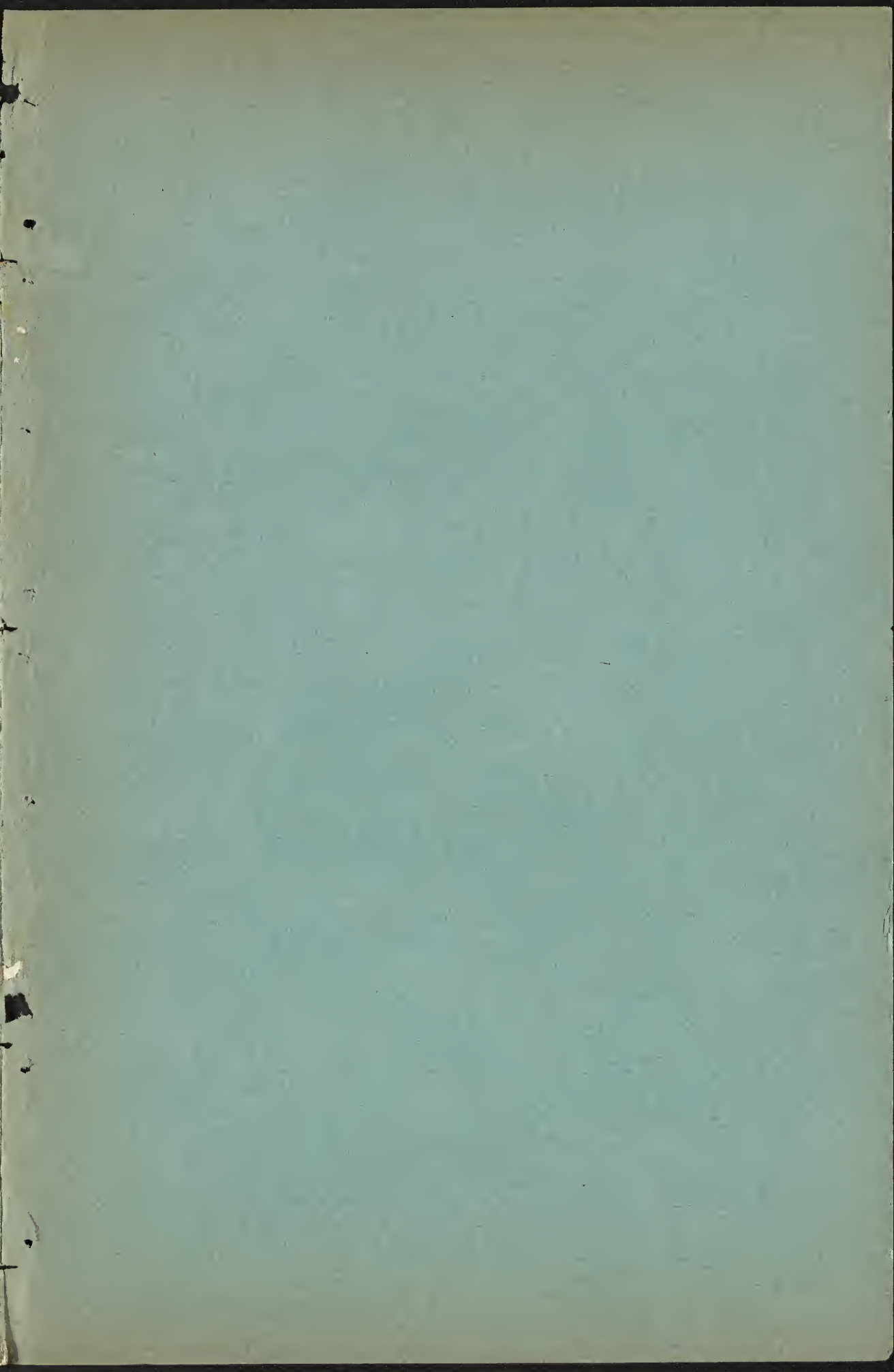
that he resides in the City of \_\_\_\_\_,  
and that at the time of executing the foregoing instrument



he was and still is the \_\_\_\_\_ of the said State Trust Company, and each of them; that he knew the corporate seal of said State Trust Company; that the seal affixed to the foregoing instrument was such corporate seal, and was thereto affixed by authority of said corporation, and that he signed his name thereto by like authority as such officer, and the said \_\_\_\_\_ and the said \_\_\_\_\_ also acknowledged the execution of the foregoing instrument for and on behalf said State Trust Company.











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THE HAVANA COMMERCIAL COMPANY.

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**Subscription Agreement**

and

**Prospectus.**

**Dated February 27, 1899.**

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SUBSCRIPTION MEMORANDUM

FOR

PURCHASE OF SHARES OF CAPITAL STOCK

OF

THE HAVANA COMMERCIAL COMPANY.

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It is proposed by Messrs. H. B. HOLLINS & COMPANY to organize a Company to be known as THE HAVANA COMMERCIAL COMPANY, for the purpose of acquiring the factories and trademarks and tobacco lands of the following well-known cigar and cigarette factories in and near the City of Havana, Cuba :

PEDRO MURIAS.	MANUEL GARCIA.	LA CAROLINA.
LA FLOR DE YNCLAN.	POR LA ARRANAGA.	EL SIBONEY.
LA AFRICANA.	JUAN LOPEZ.	ROSA AROMATICA.
ANTIGUEDAD.	LA VENCEDORA.	VILLAR Y VILLAR.
CRUZ ROSA.	LA DILIGENCIA.	

In addition to the above, the Company will also acquire the business of Francisco Garcia, Brother & Company, one of the oldest and largest houses engaged in the purchase and sale of tobacco.

The new company when organized will carry on the business heretofore conducted by the factories and firm mentioned.

The new Company will be capitalized as follows :

Preferred Stock, 7% Cumulative,	.	.	.	\$7,500,000
Common Stock,	.	.	.	12,500,000



Of the capital as above stated, \$1,500,000 Preferred and \$2,500,000 Common Stock will be retained in the treasury of the Company for its corporate purposes.

In addition to the holdings of stock as above stated, the Company will be provided with a working capital consisting of raw tobacco, manufactured product and cash of about \$2,500,000.

The present subscription is for the purchase of 60,000 shares of Preferred Stock of the par value of \$6,000,000, and 45,000 shares of Common Stock of the par value of \$4,500,000, for the sum of \$6,000,000.

H. B. Hollins & Company shall have sole charge of the purchase of the factories and business mentioned, and of the organization of the new Company. They may omit or decline to purchase any factory which, in their opinion, is not desirable to be purchased, or may purchase and acquire any factory or any property not hereinabove mentioned, which, in their judgment, should be purchased or acquired for the general benefit of the enterprise.

Now, THEREFORE, we, the undersigned, hereby severally, each for himself, agree with said H. B. Hollins & Company, to pay in cash on their demand, the amount set opposite our respective signatures hereto, which payment shall entitle us respectively to receive from said H. B. Hollins & Company the number of shares also set opposite our respective names of the Preferred and Common Stock of the new corporation to be formed, as above recited.

Each subscriber shall at the time of making his subscription pay to the Knickerbocker Trust Company an amount equal to ten per cent. of such subscription, the balance to be due and payable as and when called for by said H. B. Hollins & Company.

In case of any failure of the undersigned to make payment hereunder, his subscription and all his rights hereunder may be sold by said H. B. Hollins & Company at public or private sale at any time or place and without notice, but the delinquent shall nevertheless remain liable for any deficiency and for any expense of the same.

This agreement shall bind and be for the benefit of the respective parties hereto, their executors, administrators, survivors, successors, and assigns.

Dated New York,

1899.

NAME.	ADDRESS.	CASH.	ENTITLING UNDERWRIT TO SHARES.	
			<i>Preferred.</i>	<i>Comm</i>



## PROSPECTUS.

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### The Havana Commercial Company.

#### AUTHORIZED CAPITAL.

Preferred Stock 7 per cent. cumulative....	\$7,500,000
Common Stock .....	12,500,000
	<hr/>
	\$20,000,000

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It is proposed to organize a Company to be known as THE HAVANA COMMERCIAL COMPANY, with a capital as above provided, for the purpose of acquiring the factories and trademarks of the following well-known cigar and cigarette factories in and near the City of Havana, Cuba :

PEDRO MURIAS,	MANUEL GARCIA,	LA CAROLINA,
YNCLAN,	L'ARRANGA,	L'AFRICANA,
ANTIQUEDAD,	JUAN LOPEZ	ROSA AROMATICA,
EL SIBONEY,	VENCEDORA,	VILLAR Y VILLAR.
CRUZ ROSA,	DILIGENCIA,	

In addition to the above, the Company will also acquire the business of Francisco Garcia, Brother and Company, one of the largest and oldest houses engaged in the purchase and sale of Havana leaf tobacco.

Of the authorized capital, as above stated, \$1,500,000 Preferred, and \$2,500,000 Common Stock, will be retained in the Treasury of the Company for its corporate purposes, and it will be provided with a working capital consisting of raw tobacco, manufactured product and cash of about \$2,500,000.

The factories and brands mentioned comprise the oldest and best known in Havana, and the cigars and cigarettes made by them are sold throughout the entire world. The demand far exceeds the supply. Every factory is and for years has been months behind in its orders. The growth of the business has been very large and due entirely to the constantly increasing demand for high-grade Havana cigars. The profits have been invariably large, notwithstanding the fact that the



management of the factories has been crude and expensive and the development of the business limited by the failure of many of the factories to acquire the requisite amount of tobacco for the demands of the business at the ripening of the crop.

By a combination of the factories mentioned, and their operation under one corporate management, with adequate facilities for the purchase of tobacco, the business and profits can be enormously increased, and this without any attempt to increase the demand, and without an increase in the price at which these goods are now sold to the public, as the normal conditions of the market make the demand greater than the capacity of the supply.

To the successful conduct of the business three elements are necessary, facilities for the purchase of tobacco with which to make the cigars; the possession of well known brands which have a ready market, and proper agencies for their sale. These three features will be possessed by the Company. By purchasing the business of Francisco Garcia, Brother & Company, they will own the largest purchasing agency of Havana leaf tobacco in the world. The factories mentioned are the largest and best known in Havana, and arrangements have been made to secure the services of the gentlemen standing highest in the trade in Cuba and elsewhere.

The purchase and sale of the leaf tobacco will be a branch of the Company's business. It will yield a very large profit, besides giving the Company exceptional facilities for securing the finest leaf for its factories.

In addition to their plants and stock on hand, the Company will also own some of the finest tobacco lands in Cuba.

The purchase of tobacco and the general direction of the factories will be in the hands of Mr. Francisco Garcia, who will continue the existing management of each factory.

The accounts of the factories have been examined by Barrow, Wade, Guthrie & Company, and Mr. Farquhar J. MacRea, chartered and certified accountants.

The following is their report :

NEW YORK, February 27, 1899.

MESSRS. H. B. HOLLINS & Co.,  
New York.

DEAR SIRS :

In accordance with instructions we have visited Havana, Cuba, and made an examination of the following Cigar and

Cigarette Factories, with a view of reporting on the business and earnings of these concerns :

PEDRO MURIAS,  
MANUEL GARCIA,  
LA CAROLINA,  
L'AFICANA,  
L'ARRANAGA,  
EL SIBONEY,  
JUAN LOPEZ,

(Flor de Tomas Gutierrez.)

LA VENCEDORA,  
L'ANTIGUEDAD,  
LA DILIGENCIA,  
CRUZ ROJA (Ramon Allones),  
LA FLOR DE YNCLAN,  
LA ROSA AROMATICA,  
VILLAR Y VILLAR.

After a careful examination of the books and the general conditions of the cigar industry for the past four years we have concluded that it would not be proper to take the results of these four years, as shown by the books, as a fair criterion of the earning power of these factories, for the reason, as is well known, that the prosperity of the tobacco business in Cuba has been seriously impeded on account of the insurrection on the island. Accordingly we have made a careful calculation, based on data and information taken from the books of the separate concerns, as to the total net annual profit of these factories on the basis of the present output of 65,000,000 cigars per annum, and we find that the result, as shown by the statement appended hereto, including the earnings of the leaf tobacco business of F. Garcia & Co., taken at a conservative figure, is equivalent to a total of \$1,027,000 per annum, which result is after charging all costs, expenses, rents of factories, and other matters pertaining to the business.

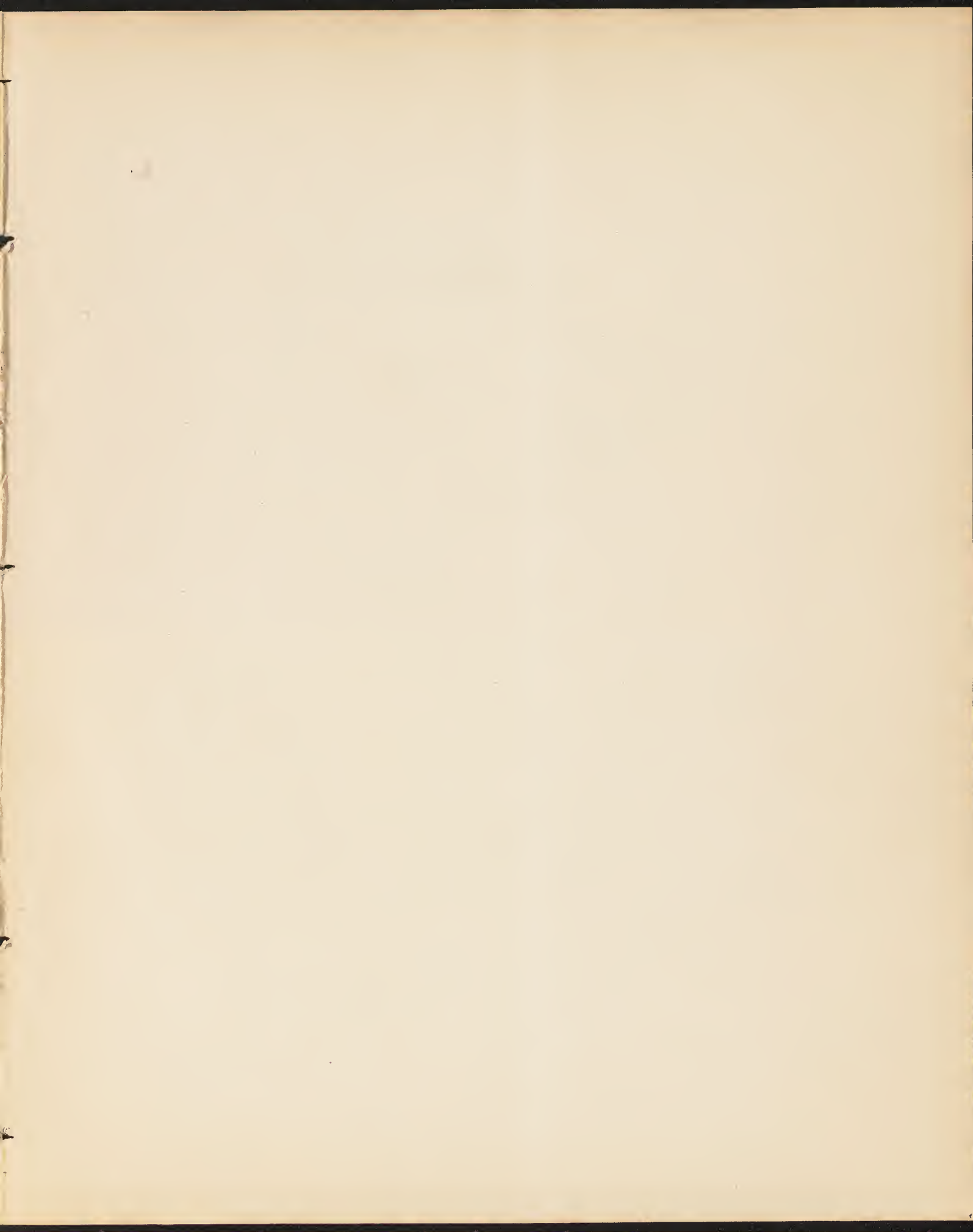
In regard to the output, although we have taken this at only 65,000,000 cigars annually, we find that the capacity of these factories is over 100,000,000 annually, and, moreover, that the business conditions at the present time and the orders on hand indicate that in the coming year this volume of sales will be reached, if not exceeded.

The orders on the books and unfilled at the time of our visit exceeded 10,000,000 of cigars for distribution in all parts of the civilized world.

BARROW, WADE, GUTHRIE & CO.  
*Chartered Accountants.*

FARQUHAR J. MACRAE,  
*Certified Public Accountant.*









REORGANIZATION  
OF  
THE KINGS COUNTY AND FULTON ELEVATED  
RAILWAY COMPANIES.

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PLAN AND AGREEMENT.

DATED APRIL 11th, 1899.

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*REORGANIZATION COMMITTEE:*

AUGUST BELMONT, Chairman.

WILLIAM A. READ,      WALTER G. OAKMAN,  
JAMES JOURDAN.

*COUNSEL TO REORGANIZATION COMMITTEE:*

TRACY, BOARDMAN & PLATT,  
33 WALL STREET.

*DEPOSITARY:*

GUARANTY TRUST COMPANY OF NEW YORK.





# REORGANIZATION

OF

## The Kings County and Fulton Elevated Railway Companies.

The undersigned Committee, at the request of holders of a large amount of the securities of the Kings County and Fulton Elevated Railway Companies, have been endeavoring for a long time to submit a plan of reorganization, the acceptance of which by the security holders they could recommend. The financial statement printed as part of the plan submitted herewith, makes it clear that any plan which contemplates simply the readjustment of securities and the operation of the railroad property independently as at present, if it did not lead to results possibly unsatisfactory even to the first mortgage bondholders, would, at all events, lead to a severe struggle to maintain the property against all the other traction interests in Brooklyn combined, with a problematical outcome.

In addition to this, in the opinion of the Committee, the continued independent operation of the road by the use of steam as a motive power would not answer the requirements of competition, present or to come. Better results could, no doubt, be expected if the road were operated by electricity, but such a change would involve the expenditure of a large sum of money, thereby increasing the interest charges, and, of necessity, making a computation of future earnings largely a matter of conjecture.

Taking all these facts into consideration and carefully weighing the subject, the Committee, as a result of their study of the situation, reached the conclusion that the only way of reorganizing the Kings County and Fulton Elevated Railway Companies in a manner satisfactory to the holders of the securities would be by making the Kings County Road a part of a great system which should include substantially all the elevated and surface railroads in the Borough of Brooklyn. Such a consolidation of interests under one management, the Committee perceived, would remove many difficulties, settle many disputed questions, make possible large economies in operation, and easily provide the moneys required for necessary improvements both in the structure and in equipment. The Committee also believed that by negotiating with the representatives of the other railroad interests to be affected by consolidation, they could obtain their fair share of the general benefits to accrue from the adoption of that policy. The aim of the Committee has been to formulate a plan of reorganization which should accomplish the following results:

1. The incorporation of the Kings County Road as part of the Rapid Transit System of the Borough of Brooklyn, including under one management substantially all the railroads, elevated and surface, in that Borough.
2. The concession to the security holders represented by the Committee, by the representatives of other railroad interests, of terms deemed by the Committee to be fair.



3. Fair recognition of the rights of all security holders as between each other.

4. The imposition upon the new Company of no greater fixed charge than can be easily met.

The contract which the Committee have negotiated with the Brooklyn Rapid Transit Company, in their opinion, answers the above conditions. The assessments to be paid by the holders of the junior securities seem to the Committee to be reasonable and necessary in order to complete a safe and successful reorganization. To avoid the possibility of the failure of the Committee's plan, they have organized an underwriting syndicate, who will furnish any money necessary to carry out the plan, including the cash contributions of any security holders who may not assent thereto, or who may fail to pay the cash assessments when called for by the Committee.

Dated New York, April 11th, 1899.

AUGUST BELMONT, <i>Chairman,</i>	} <i>Reorganization Committee.</i>
WILLIAM A. READ,	
WALTER G. OAKMAN,	
JAMES JOURDAN,	

# REORGANIZATION

## OF

### The Kings County and Fulton Elevated Railway Companies.

*To the Holders of Mortgage Bonds and Stock of the Kings County Elevated Railway Company  
and the Holders of Mortgage Bonds of the Fulton Elevated Railway Company:*

When it became apparent that the financial condition of the Kings County and Fulton Elevated Railway Companies was such as to render it necessary to place the property in the hands of a receiver, the undersigned Committee were requested by security holders representing large interests to prepare a plan of reorganization. Prior to the preparation of such plan, the holders of the first mortgage bonds of both Companies were requested to put their bonds under the control of the Committee by depositing the same in the Guaranty Trust Company of New York. In compliance with this request, said bonds have already been deposited as follows:

Kings County Elevated Railway Company, First Mortgage Bonds.....	\$3,062,000 00
Fulton Elevated Railway Company, First Mortgage Bonds.....	2,163,000 00

The following is a financial statement of the Kings County and Fulton Elevated Railway Companies as of the 1st day of April, 1899:

#### DEBTS.

Kings County First Mortgage Bonds.....	\$3,431,000 00
Fulton First Mortgage Bonds.....	2,543,000 00
Collateral Trust, Series A, Kings County Bonds.....	1,000,000 00
Collateral Trust, Series B, Kings County Bonds.....	461,646 00
Income Debenture Kings County Bonds.....	3,545,850 00
Kings County Capital Stock.....	4,750,000 00

#### NOTE.

All of the First Mortgage Kings County and Fulton Bonds above mentioned have been issued and are outstanding. All of the Collateral Trust, Series A, Bonds are issued and outstanding, excepting Three thousand dollars (\$3,000).

There are outstanding Kings County Coupon Debentures Seven thousand eight hundred dollars (\$7,800) which have not yet been trusted or exchanged for the Collateral Trust, Series B, Bonds. These bonds in the above statement and in this instrument are treated as if such exchange had been made.

There are outstanding Second Mortgage Kings County Bonds which have not been trusted or exchanged for Income Debenture Bonds, aggregating

Two hundred and forty-five thousand dollars (\$245,000). These bonds in the above statement and in this instrument are treated as if such exchange had been made.

Both the Second Mortgage Bonds and the Coupon Debentures must be exchanged for the respective securities to which they are entitled, before they can participate in this reorganization.

Secured debts.....	\$243,253 68
Purchase Money Mortgages.....	63,500 00
Obligations on account of the purchase of Equipment, represented by lease war- rants, about.....	18,400 00
Floating debts, about .....	30,000 00
Receiver's Certificates and other obligations of the Receiver, about.....	500,000 00

#### CREDITS.

5.444 Miles of Elevated Railroad of the Kings.

2.884 Miles of Elevated Railroad of the Fulton.

44 Locomotives.

145 Old Cars.

21 New Cars.

20 New Electric Motor Cars.

6 Service Cars.

Sundry Contracts with advertising and other companies and individuals, yielding an annual income of about thirty thousand dollars (\$30,000).

Real estate not used for operating purposes, market value \$40,000.

#### OPERATING RESULTS FOR THE YEAR 1898.

Gross Earnings from all sources.....	\$636,617 36
Operating Expenses.....	568,563 30
Net Earnings.....	65,054 06

After careful investigation of the affairs of the Kings County and Fulton Elevated Railway Companies, the Committee has prepared the following plan of reorganization :

I.—The outstanding first mortgage bonds, collateral trust bonds, Series A and B, income debenture bonds and stock of the Kings County Elevated Railway Company and the first mortgage bonds of the Fulton Elevated Railway Company, are to be deposited with the Guaranty Trust Company of New York, under an agreement (based upon this plan of reorganization) deposited with that company, said bonds and stock being subject to the order of the undersigned as a Reorganization Committee. Negotiable receipts will be issued for deposited securities. When, in the judgment of the Committee, a sufficient amount of securities shall have been so deposited, the plan shall be declared effective.

II.—The first mortgages are to be foreclosed and the mortgaged property purchased by the Committee, who shall cause a new company to be organized to acquire said property, including franchises of the old companies.

The new company shall issue the following

#### NEW SECURITIES :

Seven millions dollars (\$7,000,000) first mortgage bonds, bearing interest at four per cent. per annum, principal and interest being payable in 1949 in United States gold coin of the



present standard of weight and fineness, the interest being payable in New York City, semi-annually; these bonds are to be secured by mortgage covering all the property and franchises of the new company, including after-acquired property.

Two millions eight hundred thousand dollars (\$2,800,000) preferred stock, five (5) per cent. per annum, non-cumulative.

Six millions dollars (\$6,000,000) common stock.

Of the new first mortgage bonds only Five million dollars (\$5,000,000) are to be issued for the purposes of reorganization, the remaining Two millions dollars (\$2,000,000) remaining in the treasury of the new Company for future improvements.

After the organization of the new Company and the issue of the new securities, as above stated, the stock of the new Company is to be exchanged for stock of the Brooklyn Rapid Transit Company, by the Committee, as follows:

One share of the stock of the Brooklyn Rapid Transit Company for two shares of the preferred stock of the new Company, and one share of the stock of the Brooklyn Rapid Transit Company for ten shares of the common stock of the new Company, thus transferring the ownership of the property of the new Company to the Brooklyn Rapid Transit Company, free and clear of all liens, incumbrances or liabilities, except said mortgage to secure bonds aggregating Seven million dollars (\$7,000,000), of which Two million dollars (\$2,000,000) are to be, at the date of the exchange of the said stock, in the treasury of the new Company.

III.—The holders of the first mortgage bonds of both Companies aggregating Five million nine hundred and seventy-four thousand dollars (\$5,974,000) shall be entitled to eighty-three per cent. (83%) of their respective holdings in new first mortgage bonds, Four million nine hundred and fifty-eight thousand four hundred and twenty dollars (\$4,958,420). And also the equivalent in Brooklyn Rapid Transit stock of preferred stock representing twenty-five per cent. (25%) of their respective holdings.

The holder of Series A collateral trust bonds, One million dollars (\$1,000,000), contributing to the Committee ten per cent. (10%) of their respective holdings in cash shall be entitled to the equivalent in Brooklyn Rapid Transit stock of preferred stock representing thirty per cent. (30%) of such holdings; and also the equivalent in Brooklyn Rapid Transit stock of common stock representing sixty per cent. (60%) of such holdings.

The holder of Series B collateral trust bonds, Four hundred and sixty-one thousand six hundred and forty-six dollars (\$461,646), contributing to the Committee ten per cent. (10%) of their respective holdings in cash, shall be entitled to the equivalent in Brooklyn Rapid Transit stock of preferred stock representing twenty per cent. (20%) of said holdings; and also the equivalent of Brooklyn Rapid Transit stock of common stock representing forty per cent. (40%) of such holdings.

The holders of income debenture bonds, Three million five hundred and forty-five thousand eight hundred and fifty dollars (\$3,545,850), contributing to the Committee 10 per cent. (10%) of their respective holdings in cash, shall be entitled to the equivalent in Brooklyn Rapid Transit stock of preferred stock representing twenty per cent. (20%) of such holdings; and also the equivalent in Brooklyn Rapid Transit stock of common stock representing thirty per cent. (30%) of such holdings.



The stockholders contributing to the Committee six per cent. (6%) of their respective holdings in cash shall be entitled to the equivalent in Brooklyn Rapid Transit stock of preferred stock representing three per cent. (3%) of such holdings; and the equivalent in Brooklyn Rapid Transit stock of common stock representing sixty per cent. (60%) of such holdings.

The equivalents in Brooklyn Rapid Transit stock of said preferred and common stock are as follows: One share of Brooklyn Rapid Transit stock for two shares of preferred stock, and one share of Brooklyn Rapid Transit stock for ten shares of common stock. The cash contributions are to be payable as called by the Committee.

*Statement of Percentage of Assessment to be Paid and New Securities to be Issued.*

OLD SECURITIES.		NEW FIRST MORTGAGE BONDS.	ASSESSMENT.	*NEW PREFERRED STOCK.	*NEW COMMON STOCK.	BROOKLYN RAPID TRAN- SIT STOCK.
		Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Kings Co. Elev. R'way. Co. First Mtge. Bonds...	\$3,431,000 00	83	..	25	..	12½
Fulton Elev. R'way Co. First Mtge. Bonds....	2,543,000 00	83	..	25	..	12½
Kings Co. Elev. R'way Co. Coll. Trust "A" } Bonds.....	1,000,000 00	..	10	30	60	21
Kings Co. Elev. R'way Co. Coll. Trust "B" } Bonds.....	461,646 00	..	10	20	40	14
Kings Co. Elev. R'way Co. Income Debenture } Bonds.....	3,545,850 00	..	10	20	30	13
Kings Co. Elev. R'way Co. Stock.....	4,750,000 00	..	6	3	60	7½

\*The new preferred and the new common stocks are to be exchanged for the Brooklyn Rapid Transit Stock as stated in the last column.

The new securities are to be delivered when reorganization is completed.

IV.—The Committee shall organize an underwriters' syndicate to furnish the money necessary to carry out the plan, including payment of cash contributions of any security holders who shall not assent to the plan, or who shall fail to make the payments when called by the Committee. The syndicate shall be entitled to and shall represent and succeed to all the rights which security holders non-assenting or failing to contribute would have been entitled to if they had assented to the plan and made the payments thereunder.

V.—The moneys received by the Committee under the plan shall be used to pay such amounts as may from time to time be necessary for the proper conduct of the business and maintenance of the railways of the railway companies; to pay the compensation, disbursements, counsel fees and proper expenses of reorganization, and for such other purposes as the Committee may determine to be for the best interest of security holders and to be necessary in order to carry out the plan and make it effective.

VI.—The securities deposited under the plan shall not be cancelled until the new securities shall have been issued and delivered, but shall be held for the protection and benefit of those who assent to the plan. When the reorganization is completed, such securities shall be cancelled by the Committee.

VII.—Any surplus earnings, after payment of fixed charges, shall be applied to the payment of dividends on preferred stock, not exceeding five per cent. (5%) in any year, non-cumulative. Any excess after such payment may be applied to pay dividends on the common stock.

The Committee believe that the above plan of reorganization fairly recognizes the various interests and is for the benefit of all. It contemplates the acquisition of the property by the Brooklyn Rapid Transit Company, subject only to an annual fixed charge of Two hundred thousand dollars (\$200,000), besides taxes and the operation of the railroad as part of the Brooklyn Rapid Transit System. This system already includes substantially all the surface lines and elevated lines, other than those of the Kings County and Fulton Companies, in the Borough of Brooklyn. It also contemplates the substitution of electricity, or some other motive power, in lieu of steam, on elevated lines, and the Committee believe that the elimination of competition, the change of motive power and the other advantages which will accrue to the property through its incorporation and operation as part of the Brooklyn Rapid Transit System, will bring about results which ought to be and will be satisfactory to the holders of the securities of the new Company.

For full particulars and details of the plan and reorganization agreement, reference is hereby made to the original reorganization agreement filed with the Guaranty Trust Company of New York. The securities may be deposited by the holders thereof under said agreement with the Guaranty Trust Company of New York, at No. 28 Nassau street, New York City. Depositing security holders will receive at the time of making the deposit, negotiable receipts for any of the following securities of the existing companies :

Kings County Elevated Railway Company,  
First Mortgage Bonds.

Fulton Elevated Railway Company,  
First Mortgage Bonds.

Kings County Elevated Railway Company,  
Collateral Trust Series A Bonds.

Kings County Elevated Railway Company,  
Collateral Trust Series B Bonds.

Kings County Elevated Railway Company,  
Income Debenture Bonds.

Kings County Elevated Railway Company,  
Stock.

Dated, New York, April 11th, 1899.

AUGUST BELMONT, <i>Chairman,</i>	} <i>Reorganization Committee.</i>
WILLIAM A. READ,	
WALTER G. OAKMAN,	
JAMES JOURDAN,	

## THE KINGS COUNTY AND FULTON ELEVATED RAILWAY COMPANIES.

**Agreement** made as of the eleventh day of April, 1899, by and between holders of first mortgage, collateral trust Series A and B and Income Debenture bonds of the Kings County Elevated Railway Company (hereinafter called "Kings County"), holders of first mortgage bonds of the Fulton Elevated Railway Company (hereinafter called "Fulton"), and holders of stock of the Kings County Elevated Railway Company who have assented on behalf of themselves and those who shall hereafter join and assent to this agreement by subscribing the same or by depositing their securities as hereinafter provided, parties of the first part, and August Belmont, William A. Read, Walter G. Oakman and James Jourdan (hereinafter called the "Committee") parties of the second part:

WHEREAS, The parties of the first part are the owners and holders of bonds of the above-mentioned issues, or of stock of the Kings County Elevated Railway Company; and

WHEREAS, Actions are now pending in the Supreme Court of the State of New York, one brought by the Mercantile Trust Company against the Kings County Elevated Railway Company, and the other brought by the Central Trust Company of New York against the Fulton Elevated Railway Company, in which actions a Receiver has been appointed of all the property of said railway companies, being the property covered by mortgages made to secure the bonds of the above-mentioned issues; and

WHEREAS, The financial condition of the "Kings County" and "Fulton" is such as to render it necessary that the holders of such securities should unite for the protection of their respective interests with a view of perfecting a reorganization of the affairs of said companies,

NOW, THEREFORE, in consideration of the premises and of the agreements hereinafter contained, and for other valuable consideration, the parties of the first part hereto (each depositor agreeing for himself and not incurring liability for any other depositor), hereby agree to and with each other and with the Committee as follows:

*First*—The said August Belmont, William A. Read, Walter G. Oakman and James Jourdan are hereby constituted and appointed a Committee to exercise the powers and perform the duties hereinafter set forth, and they severally consent to act in that capacity.

*Second*—The Committee shall invite, by a proper publication to be determined by it, the holders of the above-mentioned securities to assent to and become parties to this agreement by depositing their bonds or their certificates of stock with the Guaranty Trust Company of New York, and shall fix a time within which such deposit may be made. Each bondholder who shall deposit his bonds with the unpaid coupons thereunto appertaining, together with proper transfers of such bonds to bearer in case the same are registered, and each stockholder who shall deposit his certificate of stock transferred in blank, shall receive therefore a negotiable certificate of said Trust Company (hereinafter referred to as "Trust Company's certificates") in the form to be approved by the Committee, provided that he shall make at the time of said deposit the payments required by the Committee to be then made. If any



person shall sign this agreement as a bondholder or stockholder, and shall not deposit his bonds or stock certificates, it shall be optional with the Committee at any time to hold him to this agreement as a party hereto, or to cancel the same as to him. The bonds and stock so deposited shall be held by said Trust Company subject at all times to the order and full control of the Committee to be used for any of the purposes of this agreement. The deposit of such bonds and stock shall transfer to the Committee the full legal and equitable title thereto for the purposes of this agreement.

*Third*—The depositors severally and separately confer upon the Committee whatever power and authority may, in the judgment of the Committee, be necessary or proper to exercise for the purpose of legally and efficiently executing the trusts hereby created, and they and each of them hereby authorize the Committee, for them and each of them, and in their names or in the name of the Committee, to execute on behalf of the depositors such instruments in writing and under seal, and to do such acts and things as to the Committee may seem proper toward the execution of such trusts, hereby giving and granting unto the Committee full power and authority to do and perform all and every act and thing which it may deem convenient or necessary to be done in and about the premises as fully to all intents and purposes as the depositors might or could jointly or severally do personally, hereby ratifying and confirming all that the Committee shall do or cause to be done by virtue hereof.

The Committee is hereby further expressly authorized and empowered to take and prosecute such proceedings, to give such directions, and to institute or cause to be instituted, prosecuted, compromised, settled, discontinued or otherwise disposed of any and all such suits or proceedings as it may be advised by counsel to be necessary or proper; to take steps to secure the sale and conveyance of the property, assets and effects of the said Companies either by means of existing legal proceedings or by the institution of a new suit, suits or proceedings, or by negotiations, agreements or otherwise, as it shall deem expedient; to waive or enforce all or any of the rights of the depositors, and protect their interests in every way the said Committee may deem necessary or advisable; to attend all meetings of bondholders and stockholders, and to vote in the names of the members of the Committee, or in the names of the depositors, upon all questions that may arise at such meetings; to request and move the trustees under the several mortgages securing the bonds deposited hereunder to exercise the powers or any of the powers conferred by such mortgage or mortgages, if, in the judgment of the Committee, such action be necessary or desirable, or, in its discretion, to request the trustee to waive any provision in such mortgage; and generally to possess and exercise each and every right, power and privilege conferred upon the depositors under the mortgage securing bonds deposited hereunder, and to represent the depositors in respect thereof as fully as the depositors could jointly or individually personally do, including the right and power to declare due and payable the principal of any bonds secured by mortgage upon any property or franchises of the said Companies or any of them, or any part thereof, and to demand payment thereof, and annul any declaration or demand, and to waive or suspend any default under the said mortgages, or either of them. The general powers given under and by virtue of this agreement shall not be narrowed or limited by any enumeration of the powers conferred hereby.

*Fourth*—The Committee shall, by any and all legal and proper means, procure or cause to be procured a sale or sales of the properties of said several elevated railroad companies, under the decree or decrees of a court or courts of competent jurisdiction; and at any sale of said property, or any part thereof, they may purchase and bid in the same, and pay for the



said property and premises such amount or amounts, as in their judgment, may be necessary to protect the interests of the parties hereto, using the securities deposited with them for that purpose; and the Committee is hereby authorized and empowered especially, and without prejudice to the general authority hereinbefore given, to demand payment of the interest upon said several issues of bonds.

*Fifth*—The Committee shall, after having made such purchase, cause a new corporation to be formed and incorporated under the Railroad or other laws of the State of New York, having power to acquire all the properties and franchises which the Committee may purchase at such sale or sales or otherwise; and may cause to be made such conveyances or transfers, and may take such other proceedings as they may deem proper for the purpose of creating the new securities provided in this agreement, and for carrying out all or any of the provisions thereof.

They shall have power and authority to convey the property and franchises which may be purchased or acquired by them as aforesaid to such new company. The new company shall issue the following securities:

First Mortgage Gold Bonds.....	\$7,000,000 00
Preferred Stock .....	2,800,000 00
Common Stock.....	6,000,000 00

Said first mortgage bonds shall be payable in gold coin of the United States of the present standard of weight and fineness, and shall be dated as near the date of the organization of the new company as practicable, and be payable in 1949, with interest from their date at the rate of four per cent. per annum, payable in like gold coin semi-annually. The principal and interest of the bonds shall be payable in the City of New York. The mortgage securing said bonds shall constitute a first lien upon all the property and franchises of the new company, including after-acquired property, and shall be in such form and contain such provisions as the Committee shall approve. It shall be made to a trustee or trustees, to be selected by the Committee. Of the new First Mortgage bonds only \$5,000,000 are to be issued for the purpose of reorganization, the remaining \$2,000,000 being left in the treasury of the new company for future improvements.

The Preferred stock of the new Company shall be entitled to a non-cumulative dividend of not more than five per cent. per annum, after the payment of fixed charges. Should there be any excess after payment of such dividend, the same shall be applied to pay dividends on the Common stock.

The holders of Certificates issued hereunder shall be entitled to receive new securities as follows, viz.:

(1) The holders of First Mortgage bonds of both companies aggregating \$5,974,000, shall be entitled to eighty-three per cent. (83%) of their respective holdings in new First Mortgage bonds, \$4,958,420; and also the equivalent in Brooklyn Rapid Transit stock of Preferred stock representing twenty-five per cent. (25%) of their respective holdings.

(2) The holders of Series A collateral trust bonds One million dollars (\$1,000,000) contributing to the Committee ten per cent. (10%) of their respective holdings in cash, shall be entitled to the equivalent in Brooklyn Rapid Transit stock of Preferred stock representing thirty per cent. (30%) of such holdings; and also the equivalent in Brooklyn Rapid Transit stock of Common stock representing sixty per cent. (60%) of such holdings.

The holder of Series B collateral trust Bonds Four hundred and sixty-one thousand six hundred and forty-six dollars (\$461,646), contributing to the Committee ten per cent. (10%) of their respective holdings in cash, shall be entitled to the equivalent in Brooklyn Rapid Transit stock of Preferred stock representing twenty per cent. (20%) of said holdings; and also the equivalent of Brooklyn Rapid Transit stock of Common stock representing forty per cent. (40%) of such holdings. .

(3) The holders of income debenture bonds, Three million five hundred and forty-five thousand eight hundred and fifty dollars (\$3,545,850), contributing to the Committee ten per cent. (10%) of their respective holdings in cash, shall be entitled to the equivalent in Brooklyn Rapid Transit stock of Preferred stock, representing twenty per cent. (20%) of such holdings; and also the equivalent in Brooklyn Rapid Transit stock of Common stock, representing thirty per cent. (30%) of such holdings.

(4) The stockholders contributing to the Committee six per cent. (6%) of their respective holdings in cash shall be entitled to the equivalent in Brooklyn Rapid Transit stock of Preferred stock, representing three per cent. (3%) of such holdings, and the equivalent in Brooklyn Rapid Transit stock of Common stock, representing sixty per cent. (60%) of such holdings.

The equivalents in Brooklyn Rapid Transit stock of said Preferred and Common stock are as follows :

One share of Brooklyn Rapid Transit stock for two shares of Preferred stock, and one share of Brooklyn Rapid Transit stock for ten shares of Common stock.

*Sixth*—An underwriting syndicate is to be formed which shall agree to furnish the moneys necessary to carry out the plan, including the payment of the cash contributions of those security holders who shall not assent to the plan, or who shall fail to make payments after assenting to the plan. The Committee is authorized and empowered to enter into an agreement with such syndicate containing such conditions and provisions as the Committee may approve to furnish such moneys.

The several cash payments payable by the depositors as provided by this agreement shall be paid to the Trust Company in installments as shall be prescribed by the Committee, and shall, when paid, be receipted for on the respective Trust Company Certificates issued to such depositors, and all such installments of cash may be used at any time by the Committee for any of the purposes of this agreement. Any depositor or holder of a Trust Company Certificate issued hereunder, required by the terms of this agreement to pay cash for account of the Committee, who shall fail to make prompt payment of any installment of cash payable as provided in this agreement, within the periods fixed or limited by the Committee for such payment, shall forthwith, and without further or other notice or action, cease to have any right or be entitled to any benefits hereunder; and in every such case the deposited securities, and any



cash paid as above provided by or on account of such depositor or Certificate holder prior to the date of such default shall vest in and belong to the Committee, and may be used for any of the requirements of this agreement, and no such defaulting depositor or certificate holder shall be entitled to the return and repayment thereof, or to have any further interest or rights in respect thereof. The Committee may, however, in their discretion, by a majority vote of their number, waive any such default and accept payment of overdue installments from any depositor or certificate holder, at any time before the final settlement of their accounts, but the exercise of such discretion against a depositor or certificate holder shall not, in any event, be the subject of complaint or review, and such waiver, when allowed, for reasons satisfactory to the Committee, must be in writing.

*Seventh*—The moneys received by the Committee under this agreement, and all earnings in excess of the operating expenses which shall have accrued from the operation of the railway, which may come into the possession of the Committee, shall be used and disbursed by the Committee for the following purposes, to wit:

For the purpose of effecting the purchase and acquisition of the said properties and franchises; for the purpose of paying in cash the proportion of any bid or bids, which may be required by the decree or under the orders of court; for the purpose of redeeming the assets or property of the Company, and paying, settling and adjusting any and all claims necessary to be paid, settled or adjusted in order to redeem such assets; to provide for necessary improvements and betterments to be made by the receiver or otherwise; for the settlement, adjustment or compromise of suits, claims or demands; for the payment of such amounts as may from time to time be necessary, in the judgment of the Committee, for the proper conduct of the business and maintenance of the railway; for the compensation, disbursements, counsel fees and other proper expenses of reorganization; and for such other purposes as the Committee may determine to be for the best interest of security holders, and necessary for the purposes of carrying out the plan and making the same effective.

*Eighth*—The securities deposited under this agreement shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by any payment of cash or delivery of new securities by the Committee, and no legal right or lien shall be deemed released or waived, but such securities and all liens and equities connected therewith shall remain unimpaired, and may be enforced by the Committee or by the new Company, or by any other assignee of the Committee, until paid or satisfied in full, or expressly released. Said securities deposited under the Plan shall not be cancelled until the new securities shall have been issued and delivered, but shall be held for the protection and benefit of those contributing money under the agreement, provided that they shall be cancelled when the reorganization shall have been completed, and they may be used by the Committee in payment of, or on account of, the purchase price at the foreclosure sales.

Neither the Committee nor the bondholders, by executing this agreement, or by becoming parties thereto, release, surrender or waive any lien, right or claim in favor of any stockholder or other creditors of the Kings County or Fulton, and all such liens, rights or claims shall vest unimpaired in the Committee and in the new Company and its assigns, severally and respectively, and any purchase or purchases by or on behalf of the Committee or the new Company, under any decree for the enforcement of any such lien, right or claim, shall vest the property purchased in the Committee or the new Company, free from all interest or claims on the part of any such creditors or other parties.

*Ninth*—The Committee is vested with full power and authority to do any and all acts and things necessary and proper in its judgment to be done to carry out this agreement. It is further authorized and empowered to appoint such counsel, attorneys, agents, experts or other employees as it shall see fit, and to pay them reasonable compensation for their services, and to incur such expenses as shall in their opinion be necessary in carrying this agreement into effect. It shall have power to prescribe the form of new securities. It shall have power in its discretion from time to time to extend any time fixed or limited by it for the deposit of securities hereunder, and to fix and determine such penalties or conditions as it may deem proper for any failure to deposit securities; but such extension or extensions shall be held and construed to apply only to the advantage and benefit of such persons as shall actually deposit their securities within the time so extended. It shall have power to make equitable provision for any case of lost or destroyed bonds, coupons or certificates of stock, and to provide for and make such issues of convertible scrip as shall be necessary to appropriately represent any fractional interest in the new securities, and it may in its discretion settle for and adjust any such fractional interests in cash. In case it shall deem it advisable for any reason, it is authorized to issue temporary or interim certificates representing such new securities. In case it shall be found by the Committee to be necessary and expedient, for the purposes of carrying out this agreement, it may raise money beyond the amount at the time in the hands or under the control of the Committee under the provisions hereof, by means of temporary loans for such times and at such rates of interest as the Committee shall find to be necessary; and, for the purpose of securing payment of such temporary loans or any of them, the Committee is hereby authorized and empowered to pledge, as security for the moneys so borrowed, all or any part of the securities deposited hereunder; but all such loans shall be paid and satisfied out of the moneys to be received by the Committee as aforesaid, and the amount of such loans shall not be in any manner charged upon or against the new securities to be delivered to the certificate holders as hereinbefore provided. It may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder. It may, at public or private sale or otherwise, dispose of any securities of the new Company left in its hands because of any failure to deposit securities hereunder; and in so disposing of any such new securities thus left on its hands the Committee may use the same or the proceeds thereof for the purpose of carrying the plan and agreement into effect in such manner as it may deem expedient and advisable. The Committee may construe the plan and agreement, and its construction of the same or any part thereof or action thereunder in good faith shall be final and conclusive, and it may supply defects or omissions in the said plan or agreement necessary in its judgment to carry out said plan or agreement properly and effectually, and it shall be the judge of such necessity. It shall have power from time to time to fill any vacancy occasioned by death, resignation or otherwise. It may from time to time add to its number to any extent deemed advisable by a majority of the members thereof, and may elect such additional member or members, and such additional member or members shall have all the power and authority under this agreement which they would have had if they had been named herein as original members of said Committee. It may act by a majority of the members, either at a regular or special meeting convened on notice, or by writing signed by such majority without a formal meeting. Any member may act at any meeting or otherwise by attorney in fact duly appointed under any special or general power of attorney in writing.

*Tenth*—It is expressly understood that the Committee assumes no responsibility for the execution of the said plan or of this agreement, or any part thereof. The members, however, undertake in good faith to execute the same. No member of the Committee shall be individually pecuniarily liable or liable for the acts of any other member, or for anything but his



own willful misconduct. No estimate, statement, explanation or suggestion contained in the statement and plan prefixed to this agreement is intended to be, or is to be accepted as a representation or warranty, or as a binding condition of deposit hereunder, and no defect or error therein shall release any deposit hereunder except by consent of the Committee. The members of the Committee may be, or become, pecuniarily interested in any of the property or matters which are the subject of this agreement and in the said syndicate, and they shall be allowed a reasonable compensation for their services hereunder. Any member may at any time resign by giving notice in writing to the other members, and the Committee may settle any transaction with such member, and give a full release and discharge.

*Eleventh*—If for any reason any of the provisions of this agreement cannot be strictly performed by the Committee, it shall have power to modify the plan. It shall give notice of any proposed modification by filing a copy thereof with the Guaranty Trust Company of New York, and shall cause notice of such filing to be given by mailing the same, with postage prepaid, to the addresses registered (if any such addresses be registered) by certificate holders with said Trust Company, at the time of deposit of the bonds represented thereby. Such mailing shall be considered to have the full effect of personal notice to all certificate holders. All certificate holders who shall not express in writing their dissent from such modification and deliver such written dissent to said Trust Company within ten days from the date of mailing such notice, shall be considered to have assented to such modification. In case of dissent, the dissenting certificate holders shall be entitled to the return of the securities represented by their certificates issued hereunder, upon the surrender of such certificates duly endorsed, and on the payment of their *pro rata* share of expense incurred up to date of return, and the repayment of any cash which may have been paid to them hereunder.

But as to every certificate holder who shall not, within said period of ten days, withdraw the securities represented by his certificates, his assent to and ratification of the said modification shall be conclusively and finally assumed, conferred and given, and shall be irrevocable.

If, during the continuance of this agreement, any matter or matters, question or questions, not herein provided for shall arise, the same may from time to time be submitted to the certificate holders at a meeting or meetings called by the Committee, notice whereof shall be given as above provided, and such matters or questions shall be determined by vote of a majority in amount of each class of outstanding certificates, which determination shall be binding on the holders of all the outstanding certificates.

*Twelfth*—When the Committee shall determine that a sufficient number of bonds have been deposited, it shall declare the plan effective. But if the Committee should at any time consider it expedient, it may terminate this agreement, and thereupon said bonds and stock deposited hereunder shall, on the order of the Committee and the surrender of the certificates issued in respect thereof, be withdrawn from such deposit and returned to the certificate holders respectively, upon payment of their respective proportion of the expenses of the Committee, and repayment of any cash which may have been paid to them hereunder; and any depositor who shall have paid cash for account of the Committee as hereinbefore provided shall be entitled to have the amount so paid refunded to him.

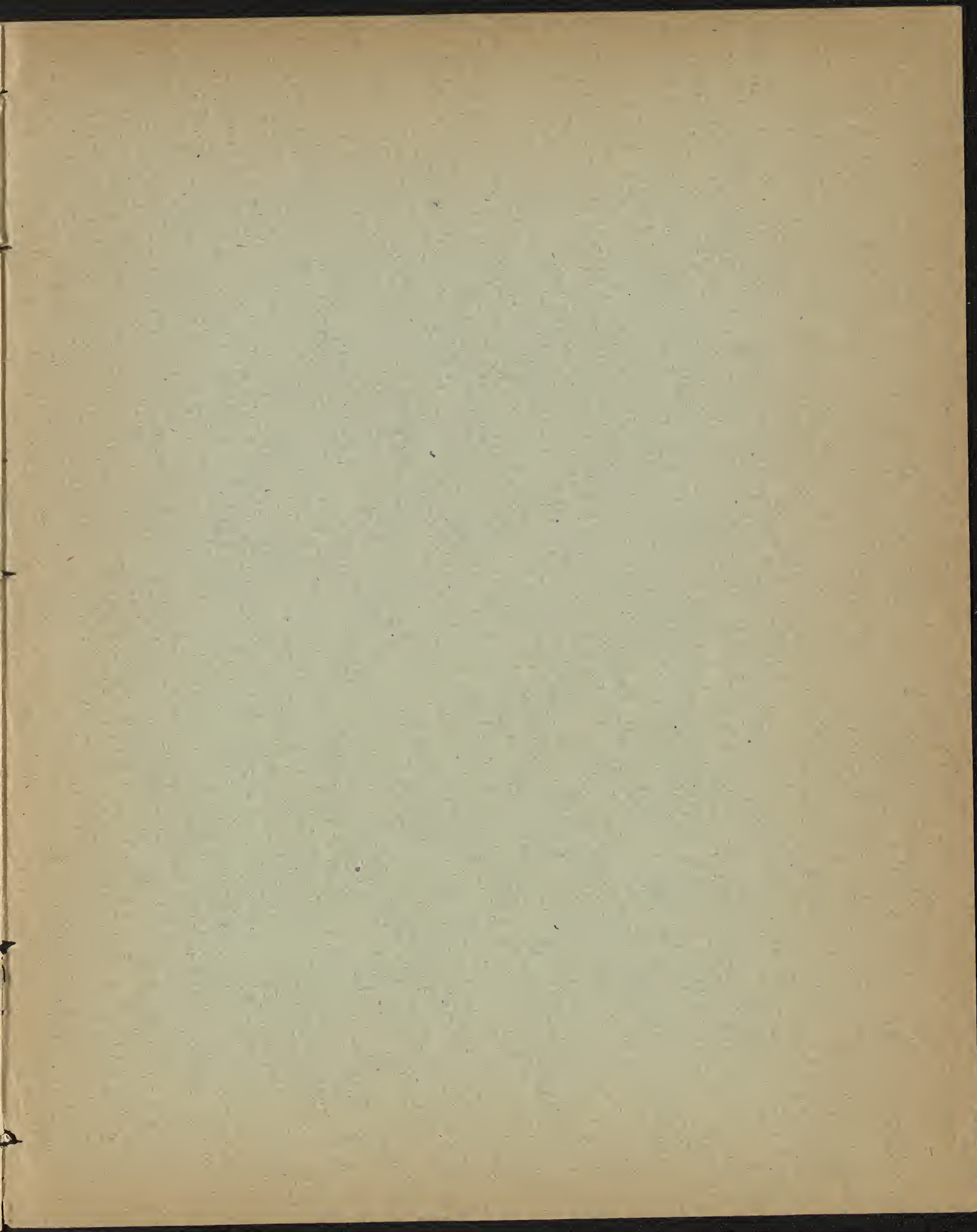
*Thirteenth*—The Committee shall within one year after the organization of the new corporation shall have been completed, and said new corporation shall have taken possession of its property, file its accounts with the Board of Directors of said new corporation, and the same as filed shall be final, binding and conclusive upon all the parties to this agreement.

*Fourteenth*—It is expressly provided and agreed that the enumeration of specific powers herein shall not be construed to limit the general powers conferred by this agreement upon the Committee, and that this agreement shall extend to and be obligatory upon the respective executors, administrators and assigns of the parties hereto.

*Fifteenth*—This agreement shall be printed and copies thereof may be signed. All of said copies so signed shall be deemed and taken as constituting one original paper. The deposit of securities and the acceptance of a certificate or certificates issued therefor shall have the same effect as if the holders of such certificate or certificates had actually subscribed this agreement.

IN WITNESS WHEREOF, the parties have hereunto set their names and affixed their individual and corporate seals the day and year first above written.









LOUISVILLE, EVANSVILLE AND ST. LOUIS  
CONSOLIDATED RAILROAD COMPANY.

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BONDHOLDERS' AGREEMENT.

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**This Agreement**, made the first day of May, 1895, between Charles S. Fairchild, James Stillman, William L. Bull, William H. Payne and Mayer Lehman (hereinafter called "the Committee"), parties of the first part, and the subscribers hereto (hereinafter called "the Subscribers"), holders of first mortgage consolidated five per cent. bonds of the Louisville, Evansville and St. Louis Railroad Company (hereinafter called "the Company"), parties of the second part, **Witnesseth**:

**Whereas**, In May, 1889, the said Company was formed by the consolidation of various Railroad Companies organized under the laws of Indiana and Illinois, and at the time of such consolidation there were outstanding various mortgages executed severally by the said Railroad Companies, and hereinafter called "Divisional Mortgages"; and there are now outstanding bonds secured by such mortgages of a total par value of \$4,370,000;

**And, whereas**, the Company, on July 1, 1889, executed a mortgage or deed of trust to the New York Security and

Trust Company and Josephus Collett, as Trustees, to secure the payment of \$8,000,000, par value, of its first mortgage consolidated five per cent. bonds, payable on July 1, 1939, and there have been issued, and are now outstanding, \$3,797,500, par value, of the said bonds ;

*And, whereas,* the Company has failed to pay the interest due on the said last-mentioned bonds maturing subsequent to July, 1893, and its property was placed in the hands of Receivers on January 4, 1894, and is still operated by such Receivers ;

*And, whereas,* proceedings have been instituted to sell and dispose of the property and franchises of the Company under the foreclosure of the mortgage or deed of trust securing the said consolidated five per cent. bonds, and it is very desirable that the subscribers should unite for the protection of their interests in the said property and franchises ;

*And, whereas,* it has been found impracticable to bring about at present any satisfactory agreement between all the parties interested in said property or to settle upon any definite plan of reorganization, and it is nevertheless necessary for the holders of the said bonds to take immediate action for the protection of their interests, and for this purpose to appoint a Committee which shall have power to act on their behalf and to provide for the deposit of the said bonds ;

*Now, therefore,* the parties hereto agree as follows :

### **Article First.**

The parties of the first part are hereby constituted and appointed a Committee, on behalf of all the Subscribers hereto, for the purposes and with the rights, powers and obligations hereinafter specified.



### Article Second.

The Subscribers hereto severally agree to deposit with the New York Security and Trust Company, of New York, the bonds set opposite their names respectively, with all unpaid coupons attached ; the same to be held by the said Trust Company, subject to the order of the said Committee, for which the said Trust Company will issue its certificates, as hereinafter provided.

### Article Third.

The said Committee are hereby appointed agents and attorneys in fact for and on behalf of all the Subscribers hereto, with full power and authority, as such attorneys, in the names of the Subscribers or in the names of any persons or corporations, authorized by said Committee, to take such proceeding, give such directions, execute such papers, bring such actions at law or in equity, and to do such acts, with reference to the property covered by the said bonds, as the said Committee or a majority of them may deem advisable, in order to protect the interests of all the Subscribers hereto, in accordance with their respective legal and equitable rights ; each Subscriber hereto giving the said Committee full power to do in the premises whatever such Committee could do if they were the absolute owners of the bonds deposited in pursuance of this agreement.

### Article Fourth.

The bonds of the Subscribers shall be deposited with the New York Security and Trust Company, No. 41 Wall Street, New York City, at the time of subscribing this agreement, or as soon thereafter as may be practicable. No one shall be entitled to any benefit hereunder until he has made such deposit. The Trust Company shall issue certificates for the bonds so deposited in such form as may be approved by the Committee, which certificates shall be transferable only upon the books of the said Trust Company ; and any assignee thereof, to whom the same may be so transferred, shall be entitled to all the rights and privileges of the original holder of such certificate.



### Article Fifth.

The said Committee shall, when it seems to them practicable to do so, prepare a plan of reorganization for the approval of the holders of certificates for bonds deposited in accordance herewith. A copy of such plan shall be mailed in the Post-office, in New York City, to each certificate holder at the address given by him to the said Trust Company. Any such plan which may be approved in writing by a majority in value of the registered holders of the said certificates, at any time outstanding, shall bind all the Subscribers hereto and all certificate holders and their assigns as effectually as though made a part of this agreement, and such plan shall thereafter be deemed to constitute a part hereof, subject to the privilege of withdrawal described in the following article.

### Article Sixth.

Any subscriber to this agreement may withdraw bonds deposited by him hereunder at any time after the first day of January, 1896, if the holders of at least a majority of the said consolidated mortgage five per cent. bonds then outstanding have not signed this agreement and deposited their bonds with the said Trust Company. No such withdrawal can be made, however, without the surrender of every certificate or receipt for bonds which has been given to the party desiring to make such withdrawal and payment of his *pro rata* share of the expenses and compensation of the Committee and the Trust Company up to that date, which, however, shall not in any such event amount to more than one-half of one per cent. on the par value of the bonds deposited.

### Article Seventh.

The Committee may, in all cases, act by the vote of a majority, at any meeting duly called, or it may act without a meeting, by any paper signed by every member of the Committee. The members of the Committee shall be entitled to reasonable compensation for their services; and no one of them shall be liable for the acts or omissions of any other member, or for anything except his own willful misconduct.

### Article Eighth.

The Committee may limit the time within which it shall be bound to receive bonds under this agreement, and may fix such conditions and penalties upon acceptance of bonds after the expiration of such time as it may deem proper.

### Article Ninth.

The Committee may cause engraved certificates to be prepared conformably to the rules of the New York Stock Exchange, and may procure the same to be listed upon such Exchange; and for the purpose of defraying these and other expenses, the Committee may pledge the bonds deposited, for a sum not exceeding one-half of one per cent. of the par value of each bond, or for such additional sum as may be authorized, in writing, by a majority in value of registered certificate holders.

### Article Tenth.

The Committee may at any time terminate this agreement and discharge its members from all obligations other than those expressed in this Article, by serving notice of its intention to do so by letter mailed in the Post-office in New York City, addressed to each Subscriber, at the address given opposite his signature hereto, or left with the said Trust Company; or, where a Subscriber has received certificates, as aforesaid, by letter mailed in the Post-office in New York City, addressed to each registered certificate holder, at the address given by him to the said Trust Company; provided that in such case, every Subscriber hereto not having received a certificate, and every registered holder of a certificate, as aforesaid, shall in such event be entitled to withdraw all bonds deposited by such Subscriber or against such certificate, upon the surrender to said Trust Company of his certificate or receipt and payment of the sum specified in Article Sixth.

### Article Eleventh.

Any member of the Committee may resign, and should any vacancy occur in the Committee by death, resignation or any other cause, such vacancy may be filled by the remaining members of the Committee at any meeting thereof. A majority of the members of the Committee may also, at any time, appoint, in writing, one or more persons to act with them upon such Committee; and any person or persons so appointed shall have all the powers and rights hereunder which are conferred by this instrument upon the parties of the first part hereto.

### Article Twelfth.

This agreement may be amended and altered in any manner, by an instrument in writing subscribed by a majority in value of the registered holders of the said certificates at any time outstanding.

### Article Thirteenth.

In addition to the powers hereinbefore expressed or implied, the Committee shall have the following powers :

I. To employ such attorneys, counsel and agents as they may deem advisable, and to determine and provide for the compensation thereof.

II. To enforce against any of the Subscribers any of the provisions hereof, by suit or otherwise.

III. At the foreclosure sale of the said property and franchises, to purchase the same, subject to the said divisional mortgages, at such price as shall to them seem advisable. In case the Committee should not purchase the said property and franchises, they shall collect the dividend due to the Subscribers and distribute the same, less the expenses incurred hereunder, among the Subscribers, according to their respective interests.

IV. To use any and all of the bonds deposited hereunder, in payment for the railroads and other property of the Company, which they may purchase at the foreclosure sale.

V. To take any action under the mortgage securing the bonds deposited hereunder which the bondholders might have taken, including the making of any request or demand upon the Trustees of such mortgages for the performance of any acts therein specified.

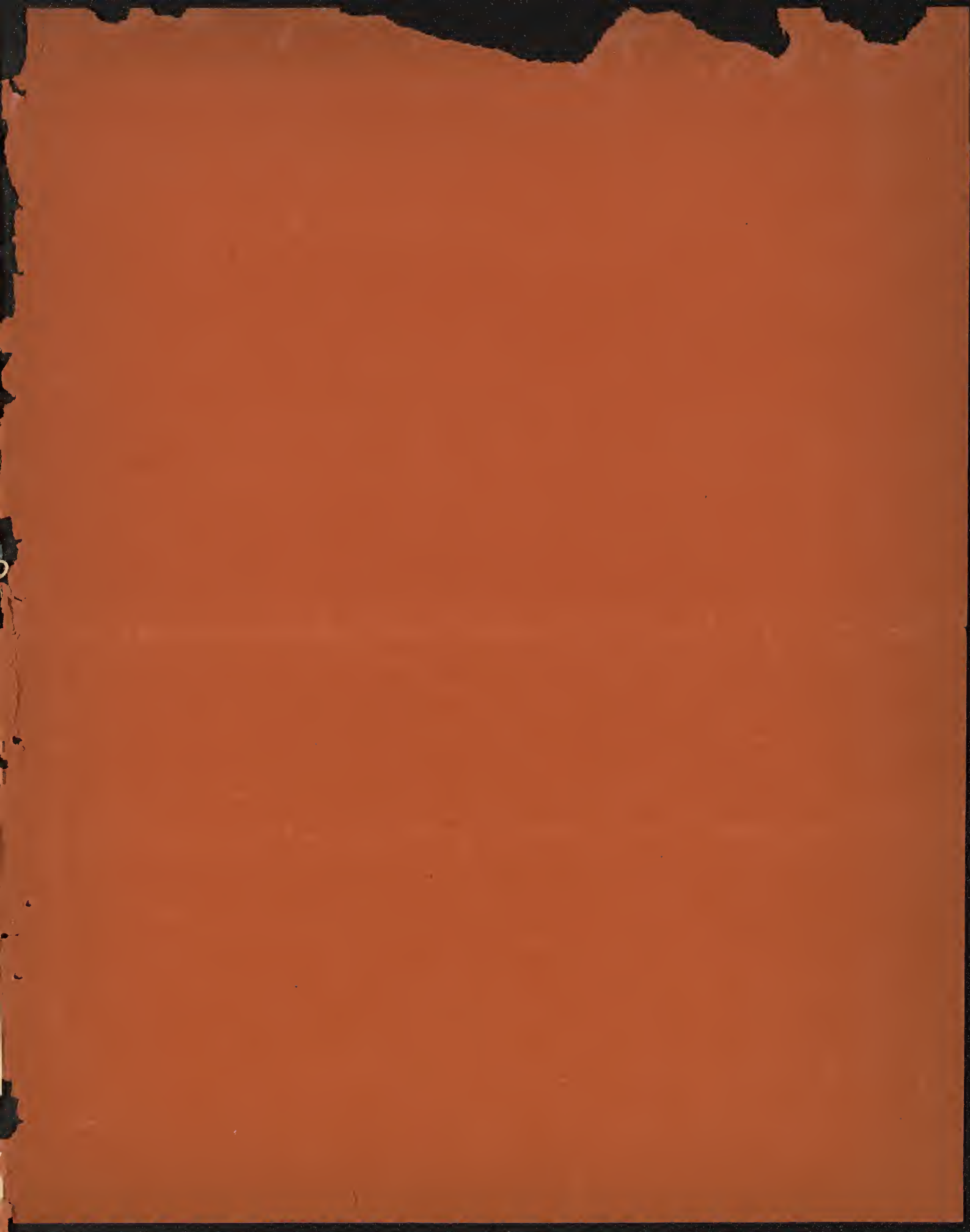
#### Article Fourteenth.

All copies of this agreement, subscribed by any persons entitled to do so, shall have the like effect as if their signatures were subscribed to the original; and the deposit of bonds with the Trust Company and the receipt of certificates therefor shall constitute the depositors parties hereto, with the same effect as if they had signed this agreement.

Subscribers.	Address	Par Value of Bonds.







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LOUISVILLE, EVANSVILLE AND  
ST. LOUIS CONSOLIDATED  
RAILROAD COMPANY.

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Bondholders' Agreement,

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May 1, 1895.

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Plan of Reorganization

OF

The Little Rock and Memphis  
Railroad Company.

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PLAN OF REORGANIZATION  
OF  
THE LITTLE ROCK & MEMPHIS RAILROAD CO.

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In pursuance of the power and authority conferred upon the Committee by the Bondholders' Agreement dated March 7, 1894, and the supplement thereto, the Committee has prepared the following plan of reorganization.

I. The Committee will enter into a preliminary agreement with FRANCIS I. GOWEN of Philadelphia in the form or substantially the form hereunto annexed marked "A," when and as soon as thereunto duly authorized by two-thirds in amount of the certificate holders.

II. As soon as the Construction Company contemplated by said proposed preliminary agreement shall have been organized, the Committee will make and enter into the agreement provided to be made in and by said proposed preliminary agreement.

III. In case the Committee shall acquire the mortgaged property at the foreclosure sale, it will upon confirmation of sale, turn over the property

to the Construction Company or a new railway company, as provided in such agreement.

IV. The present line is to be extended from Little Rock, Arkansas, to a connection with the line of the Choctaw, Oklahoma and Gulf Railroad as extended to the Arkansas State Line. The new railway company is to become the owner of the entire line and to issue its First Mortgage Fifty Year Five Per Cent. Gold Bonds, drawing interest from July 1, 1899, at the rate of \$12,500 per mile of the entire line of railway, subject to the restrictions and conditions set forth in the proposed preliminary agreement. Bonds of said issue to the amount of \$1,200,000 par value of principal shall be delivered to the Central Trust Company of New York to be held for the benefit of the Committee under the terms set forth in Article Fifth of the proposed preliminary agreement. After the confirmation of the sale the railway is to be managed and operated for the benefit and at the risk of the Construction Company or the new Railway Company, and the net earnings from the date of confirmation to July 1, 1899, to an amount not exceeding interest at the rate of five per cent. on \$1,200,000 for that period, are to be paid over to the Committee. The cash assets in the Receiver's hands at the time of confirmation of the sale are to be applied towards the payment of Receiver's debts and claims hav-

ing priority over the existing mortgage. The Construction Company is to pay any remainder of such prior debts and claims, and all the expenses of the Committee, including compensation of the Committee and its employees, and the compensation of their attorneys and counsel, and their bankers in the negotiations, the sum so to be paid by the Construction Company not, however, to exceed \$150,000.

V. Any and all moneys which shall be received by the Committee, and all the said bonds to be received by the Central Trust Company for the benefit of the Company shall, after all the indebtedness and obligations of the Committee and the compensation of its members shall have been fully paid and satisfied, be distributed *pro rata* among the holders of the trust certificates issued under said Bondholders' Agreement. In case the moneys collected by the Committee shall not be sufficient to pay in full all such indebtedness, obligations and compensation, the Committee may use said bonds so far as may be necessary. Net proceeds of any bonds disposed of as authorized by the Fifth article of said proposed preliminary agreement shall also be distributed *pro rata* among the certificate holders.

VI. Any and all provisions of said proposed preliminary agreement not hereinbefore set forth shall be deemed to be included in this plan.



Approval of this plan by a certificate holder shall constitute approval of the said proposed preliminary agreement and when it shall have been approved by two-thirds in amount of the certificate holders, the Committee shall be fully authorized and empowered to make, execute and deliver the said proposed preliminary agreement and the agreement with the Construction Company thereby contemplated. The Committee shall have full power and authority to do any and all acts which may be in their judgment necessary and proper to enable them to carry out the plan and to perform all the terms and provisions of such agreement.

Committee.

We the subscribers, owners and holders of certificates of the Central Trust Company of New York representing First Mortgage bonds and overdue coupons thereon of the Little Rock and Memphis Railroad Company, issued under bond-

holders' agreement dated March 7, 1894, and the supplement thereto, to the amount set opposite to our respective names, do hereby approve, ratify and confirm in writing the foregoing plan of reorganization and authorize the Committee to make, execute and deliver the agreements referred to therein.

Dated,

1898.







Rock and Memphis Railroad Company have deposited their bonds to the amount of \$3,149,000 with the Central Trust Company of New York, which is now the custodian of said bonds, and the said Trust Company has issued its trust certificates to each of the bondholders depositing bonds, which said certificates are now outstanding; and

WHEREAS, it is necessary for the successful and profitable operation of said Road that the same should be improved and should be extended westwardly to a connection with the Choctaw, Oklahoma and Gulf Railroad, as extended to the Indian Territory-Arkansas line, a distance of about one hundred and forty miles west from the City of Little Rock, or that it should be united with or merged into some railroad corporation which should own and operate such line as so extended; and

WHEREAS, the party of the first part, with his associates, proposes and intends to bring about the construction of a line of railway from Little Rock to the connection aforesaid, and to provide the moneys necessary therefor, and to unite the same with the line of the Little Rock and Memphis Railroad; and the Committee deem it to be expedient and for the best interests of the holders of the trust certificates aforesaid, that an arrangement to that end shall be made upon the terms hereinafter stated:

NOW, IN CONSIDERATION of the premises, the parties hereto hereby make the following preliminary and conditional agreement:

FIRST: The party of the first part agrees to forthwith create and organize, or cause to be organized, a construction company for the purpose of constructing and equipping the proposed line of railway from a connection with the Little Rock and Memphis Railroad at Little Rock, Arkansas, to a point on the boundary line between Arkansas and the Indian Territory, there to connect with a branch or extension of the line of railway of the Choctaw, Oklahoma and Gulf Railroad Company, and for such other purposes as may be necessary and proper, with a capital of at least \$500,000; and that when, and as soon as said Construction Company shall have been organized, it shall make and enter into an agreement with the Committee for the acquisition of the Little Rock and Memphis Railway and property upon the terms or substantially the terms herein provided and set forth. Such agreement shall provide for the construction and equipment of the line of railway above mentioned in a good and efficient manner, and for the organization of such railway corporation or corporations under the laws of the State of Arkansas as may be necessary in order to vest title ultimately to the entire line from Memphis to the Arkansas State line, in a single railway corporation having power and authority to make and issue the bonds and

mortgage securing the same hereinafter mentioned.

SECOND: Said agreement shall further provide for the issue by such new railway corporation of its first mortgage five per cent. fifty year gold bonds drawing interest from July 1, 1899, at the rate of not exceeding \$12,500 for each mile of constructed and completed railway (including the line from Memphis to Little Rock), to be secured by first mortgage covering said entire line, and all the property of said new railway corporation, whether then owned or thereafter to be acquired, such bonds and mortgage to be in a form and containing such provisions consistent with the provisions of such agreement, as may be approved by the Committee. Of such bonds, bonds to the amount of \$1,200,000 par value of principal shall be issued as soon as such mortgage shall have been duly recorded. The remainder of the bonds so authorized shall be issued at not exceeding the rate aforesaid, upon engineer's certificates of construction and completion of main line of railway, but only upon completion of sections not less than twenty-five miles; provided, however, that from and out of every \$12,500 of bonds so issued in excess of said first \$1,200,000 bonds, bonds to the amount of \$2,000 per mile shall be reserved under proper provisions to be contained in such mortgage, for the purpose of acquiring the rolling stock and equipment necessary for the regular and efficient operation of

said railway. The excess of bonds over \$1,200,000, issuable at the rate of \$12,500 a mile on the mileage between Memphis and Little Rock, shall be issuable only after at least \$200,000 shall have been expended for improvements and betterments on said line between Memphis and Little Rock.

THIRD: Said agreement shall further provide that the Committee shall cause the Little Rock and Memphis Railroad, and all of its property and appurtenances, to be sold under the pending foreclosure proceedings on the 25th day of October, 1898, or at any time thereafter as may be agreed upon between the parties to said agreement, and that on such foreclosure sale said parties of the second part will buy, or cause to be bought, the said Little Rock and Memphis Railroad and property; and upon the confirmation of the sale and delivery to them, or their appointee, of a deed of conveyance thereof, to convey, or cause to be conveyed, the whole of said purchased property, to the person or corporation designated by said Construction Company upon the performance by the Construction Company of the terms and conditions of such agreement on its part to be performed.

Provided, however, that the Committee shall not be required to bid for said property at the foreclosure sale more than a sum sufficient to pay the principal and interest of said bonds, and



in case the property shall be sold for more than such sum to any person or persons other than the Committee or its appointee, any and all proceeds of sale which may be collected by the Committee in excess of \$1,350,000 shall be applied to reimburse the Construction Company for any expenditures made by it on the property, and if there shall be any surplus it shall be divided equally between the Committee and the Construction Company.

The said purchased railway and property shall be managed and operated from and after the confirmation of sale, for the benefit and at the risk of the Construction Company or the new railway company, under RUDOLPH FINK as General Manager; and the net earnings from date of confirmation to July 1, 1899, to an amount not exceeding interest at the rate of (5) five per cent. per annum on \$1,200,000 for that period, shall be paid over to the Committee.

The said purchased property shall be conveyed free and clear of any and all liens, charges or indebtedness having priority over the lien of the mortgage under foreclosure except as hereinafter provided.

The said agreement shall provide that the cash assets in the hands of the Receiver of the property at the date of the confirmation of sale shall be applied towards the payment of Receiver's debts and claims having priority over the existing

mortgage, and that any remainder of Receiver's and prior indebtedness shall be paid and discharged out of the fund mentioned in the next succeeding article of this agreement.

FOURTH: The said agreement shall provide that such Construction Company shall, upon demand of the Committee, at any time and from time to time furnish and pay to the Committee such moneys as they shall require for the purpose of discharging and paying off all such indebtedness and claims having priority over said existing mortgage as the cash in the Receiver's hands at the date of confirmation of sale shall not suffice to pay, and also all the costs, disbursements, indebtedness and expenditures made or to be made, or incurred or to be incurred, by the parties of the second part, including the compensation of the Committee and their employees and the compensation of their attorneys and counsel, and their bankers in the negotiations; provided, however, that the said Construction Company shall not be required to pay for such purposes any sum in excess of \$150,000.

FIFTH: When and as soon as the said sale shall have been duly confirmed, the said Construction Company shall cause to be made and issued bonds secured by said new first mortgage to the amount of \$1,200,000 par value of principal, with coupons payable on January 1, 1900, and thereafter, and the same to be delivered to the Central Trust Company of New York, to be held

for the benefit of the Committee and undistributed until thirty days after a public offering of the remainder of the issue shall have been made by the bankers of the Construction Company, but not later than the 1st day of October, 1899.

The parties of the second part shall be entitled, in consideration of the payment of a commission of two and one-half ( $2\frac{1}{2}$ ) per cent. upon actual sales, to participate, with respect to all or any part of the said \$1,200,000 bonds, in said public offering, and to pro-rate with the remaining \$2,200,000 bonds in such sales as may be effected upon such public offering. It shall be provided that no such offering shall be made without thirty days' notice to the committee, and opportunity afforded them to participate therein, at their discretion. Upon the joint order of the Committee and the Construction Company, the said Trust Company shall be at liberty to deliver said bonds, or any of them, at any time, anything herein contained to the contrary notwithstanding.

SIXTH : The said agreement shall further provide that the Construction Company shall furnish the cash deposit of \$25,000 required to be paid at the time of sale, the same to be credited upon the fund of \$150,000 mentioned in the Fourth article hereof.

SEVENTH : The Committee shall not be bound in any manner to pay, discharge or cancel any

State Aid Bonds issued under the Statutes of Arkansas, or any judgment rendered thereon, and the same shall not be treated hereunder as claims or debts having priority over the existing mortgage.

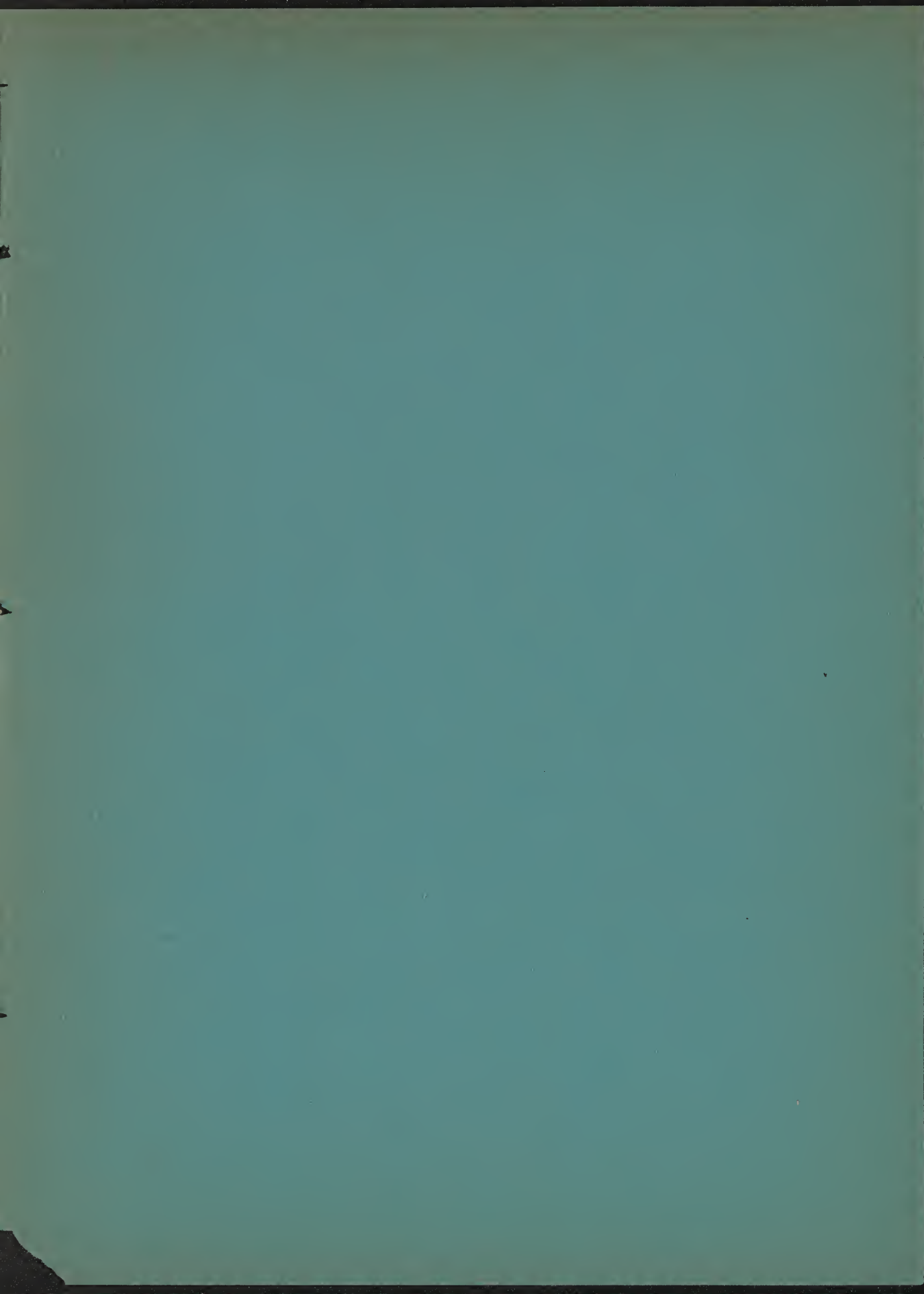
EIGHTH: In case of the failure of the Construction Company to keep or perform any covenant contained in the agreement to be made as hereinbefore provided, the Committee shall be relieved from the performance of any condition or covenant in such agreement on their part to be performed, and the title to all and singular the said property so to be purchased as hereinbefore provided shall become revested in said Committee or their appointee with the same effect as if this agreement and said proposed agreement had not been made.

NINTH: This agreement shall apply to and bind the heirs, executors, successors and assigns of the respective parties.

IN WITNESS WHEREOF, the party of the first part has hereunto set his hand and seal, and the Committee have caused these presents to be subscribed by a majority of their number, under seal, the day and year first above written.







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PRESS OF  
ARTHUR, MOUNTAIN & CO.,  
56 CEDAR ST., N. Y.

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MEMPHIS AND CHARLESTON RAILROAD  
COMPANY.

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REORGANIZATION PLAN AND AGREEMENT.

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DEPOSITARY,  
CENTRAL TRUST COMPANY OF NEW YORK.

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*Dated April 27, 1896.*

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SIMON BORG,  
J. KENNEDY TOD,  
ALBERT S. ROE,  
EMANUEL LEHMAN,  
J. J. McCOMB,

} *Committee.*

LEOPOLD WALLACH,  
PATRICK CALHOUN,  
*Counsel to the Committee.*





# MEMPHIS & CHARLESTON RAILROAD COMPANY.

## REORGANIZATION PLAN AND AGREEMENT.

### PLAN.

#### SECURITIES NOW OUTSTANDING.

First and Second Mortgage Extended Bonds, 7%.....	\$2,155,000
Second Mortgage Extended Bonds, 7%.....	105,000
Tennessee Liens, 7%.....	1,400,000
Consols, 7%.....	864,000
General Mortgage Bonds, 6%.....	1,000,000
Total.....	\$5,524,000

Capital stock (\$25 per share).....	212,509 shares.
Par value.....	\$5,312,725
Interest accrued on 7% Bonds from July 1, 1894, to July 1, 1896, and interest on overdue coupons.....	839,202
Interest due on 6% General Mortgage Bonds from July 1, 1892, to July 1, 1896, and interest on overdue coupons.....	265,200

There is also an unascertained balance between the East Tennessee, Virginia and Georgia Railway Company and the Memphis and Charleston Railroad Company.

The Committee have good reason to believe that, upon a proper accounting, it will be shown that this balance is largely in favor of the last mentioned company.

The gross and net earnings of the Memphis and Charleston Railroad Company for ten years last past are as follows, as shown by the Annual Reports of the Company and the Receivers:

FOR THE YEARS ENDING	EARNINGS.	OPERATING EXPENSES, TAXES AND RENTALS.	NET EARNINGS.
June 30, 1886.....	\$1,323,529 34	\$937,214 40	\$386,314 94
“ 1887.....	1,606,771 91	1,195,391 37	411,280 54
“ 1888.....	1,759,731 92	1,259,974 20	499,757 72
“ 1889.....	1,617,927 92	1,228,737 78	389,190 14
“ 1890.....	1,783,729 43	1,269,001 17	514,728 26
“ 1891.....	1,747,461 27	1,284,611 21	462,850 06
“ 1892.....	1,531,513 81	1,224,231 98	307,281 83
11 mos. 1893.....	1,415,517 36	1,094,401 42	321,115 94
June 30, 1894.....	1,274,817 78	1,071,555 89	203,261 89
“ 1895.....	1,202,272 58	1,029,724 61	172,547 61
Total.....	\$15,263,273 32	\$11,594,844 03	\$3,668,328 93
8 mos. 1896 (July 1, 1895, to Feb'y 29, 1896).....	988,434 00	724,202 00	264,232 00

making the total net earning for ten years, as shown by the Annual

Reports 1886-1895.....	\$3,668,328 93
or an average of.....	366,832 89
per annum.	

During the past ten years the physical condition of the property has been maintained out of earnings, and in addition thereto \$540,916.18, were expended for new equipment, bridges, change of gauge, &c., all of which were charged to operating expenses and paid for out of earnings.

If the above expenditures had been charged to capital account the net earnings for ten years would have amounted to..... \$4,209,245 11  
or an average of..... 420,924 51  
per annum.

The total net earnings as conceded by the management for the last five years, during three of which the road has been operated under the disadvantages of a Receivership, amounted to the sum of..... 1,467,057 33  
or an average of..... 293,411 46  
per annum.

Including the permanent improvements, the total net earnings for the last five years amount to..... 1,760,021 10  
or an average of..... 352,004 22  
per annum.

It is thus apparent that if the future net earnings of this property will average the same as during the past five years, there will be no difficulty whatever in meeting reasonable fixed charges, rentals and taxes, besides earning a surplus in addition.

It is believed by those familiar with the property and the character of the territory tributary to it that the same can be operated at a much smaller rate of expense than heretofore, and that if the road were to become an independent property, not burdened with an alliance, which, in itself, subordinates its interest to that of a larger system, a substantial increase may be anticipated in its earnings.

### PRINCIPLES OF THE PLAN.

The principle of this Plan is to keep the fixed charges of the property on a plane well within its average earning capacity, having in view a reserve for betterments, for additional rolling stock if required, to maintain the property in first-class condition. For this purpose, after foreclosure and sale, either under the Consolidated Mortgage or under the General Mortgage, a new company will be organized to issue the following securities, that is to say:

5,500 FIRST MORTGAGE 50 YEAR 5 PER CENT. GOLD BONDS OF \$1,000 EACH, interest payable January and July 1st (first coupon payable January 1, 1897), with the privilege to issue under the provisions of the trust deed, an additional amount of bonds, not exceeding \$500,000, if required for betterments, equipments or other necessary expenditures of said Committee or Company..... \$5,500,000

PREFERRED STOCK..... 4,000,000  
entitled to a preferential non-cumulative dividend up to 4 per cent. in any fiscal year that the Company shall have net earnings applicable to dividends, before any dividends are paid on the Common Stock, and after the payment of a dividend of 4 per cent. on the Common Stock in any fiscal year that the Company shall have surplus moneys applicable to dividends, all such surplus, shall be divided *pro rata* between both classes of stock.

COMMON STOCK..... \$5,350,000



## DIVISION OF SECURITIES.

NEW FIRST MORTGAGE 5% BONDS.....	\$5,500,000
To the First and Second Mortgage extended and Tennessee liens, with the July 1, 1894, and all subsequent coupons attached, or the Certificates of the Guaranty Trust Company of New York, representing the same (total issue \$3,660,000) at 120%.....	4,392,000
To Consols, with the July 1, 1894, and all subsequent coupons attached, or Certificates of the Guaranty Trust Company of New York, representing the same (\$864,000) at 100%.....	864,000
Balance .....	244,000
Total .....	<u>\$5,500,000</u>

This is exclusive of the \$500,000, to be issued, if needed, as above provided.

PREFERRED STOCK .....	\$4,000,000
To the First and Second Mortgage extended and Tennessee liens or the Certificates of the Guaranty Trust Company of New York, representing the same (\$3,660,000) at 30% .....	1,098,000
To Consols, or the Certificates of the Guaranty Trust Company of New York representing the same (\$864,000) at 30%.....	259,200
To the General Mortgage Bonds, with the January 1, 1893, and all subsequent coupons attached, or the Certificates of the Guaranty Trust Company of New York representing the same (\$1,000,000) at 150% .....	1,500,000
To the present Stock, in compensation of a 10% assessment to be imposed as hereinafter provided.....	531,300
Balance.....	611,500
Total .....	<u>\$4,000,000</u>
<span style="color: blue;">53,500</span>	
COMMON STOCK, <del>53,350</del> shares of the par value of \$100 per share.....	5,350,000
In exchange for the present stock upon payment of a cash assessment of 10%.....	5,313,000
Balance.....	37,000
Total.....	<u><u>\$5,350,000</u></u>

## DISTRIBUTION OF SECURITIES.

OLD SECURITIES.	TO RECEIVE IN NEW SECURITIES.		
	FIRST MORT- GAGE 5% GOLD BONDS.	PREFERRED STOCK.	COMMON STOCK.
First Mortgage Extended 7%.....	120%	30%	----
Second Mortgage Extended 7%.....	120%	30%	----
Tennessee Lien 7%.....	120%	30%	----
Consolidated 7% .....	100%	30%	----
General 6% .....	----	150%	----
Stock—upon payment of 10% Ass't.....	----	10%	100%



Holders of Memphis and Charleston stock, on surrender of their holdings and the payment of a cash assessment of 10 per cent. thereon, will receive in lieu of such payment and surrender par in preferred stock for the amount of the assessment, and an amount of Common Stock equal to their present holdings.

THE ASSESSMENT OF 10 PER CENT. ON (\$25 PAR VALUE PER SHARE) OR \$2.50 PER SHARE IMPOSED UPON THE STOCK WILL BE PAYABLE ONE-QUARTER THEREOF AT TIME FIXED BY COMMITTEE FOR DEPOSIT OF STOCK, BALANCE IN THREE EQUAL PAYMENTS AS THE MONEYS ARE CALLED BY THE COMMITTEE. AT LEAST THIRTY DAYS TIME TO INTERVENE BETWEEN EACH CALL.

As the new stock will be of a par value of \$100 per share, scrip exchangeable in proper multiples will be issued for fractional parts of shares whenever required.

CERTIFICATES OF THE GUARANTY TRUST COMPANY OF NEW YORK, ISSUED ON DEPOSIT OF BONDS OF THE MEMPHIS AND CHARLESTON RAILROAD COMPANY, WILL BE RECEIVED ON DEPOSIT UNDER THIS PLAN AND AGREEMENT THE SAME AS THE SECURITIES THEY REPRESENT.

HOLDERS OF CERTIFICATES OF THE CENTRAL TRUST COMPANY OF NEW YORK, ISSUED ON DEPOSIT OF GENERAL MORTGAGE BONDS, UNDER THE AGREEMENT OF SEPTEMBER 27TH, 1894, MAY BECOME PARTIES TO THE PLAN AND AGREEMENT BY ASSENTING THERETO, TO BE EVIDENCED BY HAVING SUCH ASSENT DULY STAMPED ON THE CERTIFICATE, BY THE CENTRAL TRUST COMPANY OF NEW YORK.

## AGREEMENT.

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ARTICLES OF AGREEMENT, made and entered into this 27th day of April, one thousand eight hundred and ninety-six, by and between SIMON BORG, J. KENNEDY TOD, ALBERT S. ROE, EMANUEL LEHMAN and J. J. McCOMB, a Committee heretofore appointed in and by virtue of the terms of an agreement bearing date the twenty-seventh day of September, 1894 (between certain holders of the General Mortgage 6 per cent. Bonds of the Memphis and Charleston Railroad Company), hereinafter styled "Committee," parties of the first part, and holders of the bonds and holders of the stock of the Memphis and Charleston Railroad Company, and holders of the certificates of the Guaranty Trust Company of New York, issued on deposit of bonds of said Railroad Company, who shall become parties to this agreement, and holders of certificates of the Central Trust Company of New York, issued on deposit of General Mortgage Bonds, who shall assent to this agreement as hereinafter provided (hereinafter called "Depositors,") parties of the second part, WITNESSETH:

THAT, WHEREAS, the said parties of the first part, pursuant to the powers of appointment contained in an agreement between certain holders of the General Mortgage 6 per cent. Bonds of the Memphis and Charleston Railroad Company, are now acting as a Committee in behalf of the holders of such bonds; and

WHEREAS, by virtue of such agreement it is among other things provided that if an opportunity should arise of reorganizing the property, and upon terms which the said Committee shall consider advisable, it is authorized to make such arrangement or settlement accordingly; subject, however, to the ratification and approval of a majority in interest of the holders of certificates, as provided in said agreement; and

WHEREAS, the foregoing Plan has been proposed for the reorganization of the affairs of the Memphis and Charleston Railroad Company, and has been approved of by the Committee.

NOW, THEREFORE, the parties, in consideration of the advantages which will result to them respectively by concert of action, and otherwise, by the adoption of this Plan and Agreement, and for other good causes and considerations, have mutually agreed as follows:

FIRST.—A printed copy of this Plan and Agreement, certified by a majority of the Committee, shall be lodged with the Depositary hereinafter mentioned. The said Plan is and shall be taken as a part of this Agreement with the same effect in all respects as though each and every provision thereof had been set forth herein, and shall constitute parts of one and the same instrument; but no estimate, statement, explanation or suggestion contained in said Plan or this Agreement, or in any circular issued or which may hereafter be issued by the Depositary, or by the Committee, is intended or is to be accepted as a representation or warranty, or as a condition of deposit or assent under the Plan and this Agreement, and no defect or error shall release any deposit under this Plan and Agreement, or affect or release any assent thereto except by written consent of the Committee.



Depositors of securities (excepting holders of certificates of the Central Trust Company of New York assenting as hereinafter provided) shall receive certificates of deposit in a form to be approved of by the Committee, specifying the securities deposited and the cash paid on deposit of stock, and the rights of the Depositors in respect to such deposits shall be such only as are evidenced by such receipts or certificates; and thereafter the holder of any such certificate, or of any certificate issued in lieu thereof, or in exchange therefor, shall hold such certificate subject to the terms of this Agreement, and shall be entitled to have and exercise the rights of an original Depositor under the receipt or certificate issued to him in respect to the securities therein mentioned.

Holders of certificates of the Central Trust Company of New York, issued on deposit of General Mortgage Bonds, may become parties to this Plan and Agreement, and entitled to all the benefits and advantages thereof, and subject to all the terms and conditions thereof with the same effect in all respects as if the bonds represented by such certificate were deposited hereunder, by ratifying and adopting this Agreement and assenting thereto, by having such certificate or certificates duly stamped as expressly assenting to the Plan and this Agreement at the office of such Depository.

All such certificates so acquiescing or so stamped are herein designated "Assenting Certificates," and the holders thereof are designated "Assenting Certificate Holders."

All bonds represented by any such certificate, the holder of which shall have acquiesced as above provided, and all bonds represented by any certificate stamped as aforesaid, shall be subject to and included within the provisions of this Plan and Agreement as fully and irrevocably as though directly deposited hereunder, and the Committee shall irrevocably possess and from time to time may exercise all rights of the holders of bonds represented by such certificates, subject to the terms thereof, including the right as the joint and several proxy of such certificate holder to vote such certificates or the bonds represented by them for or against any resolution or other motion which may be submitted to vote, approval or disapproval, ratification or rejection, at any meeting of the certificate holders which may be called or held as provided in the General Mortgage Bondholders' Agreement of September 27, 1894, including the right to terminate said last mentioned Agreement and all former proceedings thereunder.

Such Certificates of Deposit and such Assenting Certificates, and the interests represented thereby, shall be transferable only subject to the terms and conditions of this Plan and Agreement, and in such manner as the Committee shall approve, and upon such transfer all rights of the Depositor in respect to the deposited securities represented by such certificates of deposit or assenting certificates, or in any installment paid by the Depositor of such stock or his transferee in respect thereof, and all rights under the certificate transferred, shall pass to the transferee or holder of such certificate of deposit or assenting certificate, who shall for all purposes be substituted in place of the prior holders, subject to the terms of this Agreement, which shall be deemed and construed to have been assented to by the receipt of such transfer.

All such transferees, as well as the original holders of Certificates of Deposit or of Assenting Certificates, shall be embraced under the term "Depositors" whenever used herein.

The term "Depositors" whenever used herein, is intended and shall be construed to include not only persons acting in their own right but also trustees, guardians, committees, agents and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint stock companies and corporations. No rights hereunder shall accrue in respect of any securities herein mentioned, or the holder or holders thereof, unless or until the said securities shall have been deposited and subjected to the control of the Committee, and to the operation of this Plan and Agreement as herein provided.

The Committee under this Plan shall provide for receiving on deposit First and Second Mortgage Extended 7 per cent. Bonds, the Second Mortgage Extended Bonds, the Tennessee Liens (so-called), the Consol Mortgage Bonds, the General Mortgage Bonds and stock of the said Railroad Company, the Certificates of Deposit heretofore, or that may hereafter be issued on the deposit of any of the Bonds of the Memphis and Charleston Railroad Company by the Committee composed of Adrian Iselin, Junior, Frederick Cromwell, W. Emlen Roosevelt and Edward N. Gibbs, in lieu of the bonds represented thereby; such last-mentioned certificates for bonds being included wherever the words bonds or securities are employed in this agreement; also the General Mortgage Bonds heretofore deposited with the Central Trust Company of New York under the agreement of September 27, 1894, represented by its certificates, provided the same shall assent to this Plan and Agreement as hereinbefore provided.

The Depositary shall receive the assenting securities, and shall hold the same subject to the order and control of the Committee.

The Committee may, in its discretion, fix or limit the time within which holders of bonds or stock, or any class thereof, may deposit their securities and within which they or holders of Central Trust Company Certificates may become parties to the Plan and this Agreement, and the periods within which installments of cash payable by depositing stockholders must be paid, and may, in its discretion, either generally or in special instances, extend or renew the time so fixed or limited, on such terms and conditions as it may see fit, with the power of imposing penalties if not deposited within the periods designated by the Committee. Holders of securities not deposited, or of the Central Trust Company Certificates not becoming parties hereto, by having their certificates stamped as hereinbefore required in the manner herein provided, within the time fixed or limited for the deposit of such securities respectively, will not be entitled to deposit the same or become parties to this Plan and Agreement, or share in the benefits thereof, and shall acquire no rights thereunder, except by express consent of the Committee, and upon such terms and conditions as the Committee may deem proper to impose.

The respective installments of cash payable by depositing stockholders, as provided in this Plan and Agreement must be paid to the Depositary and must be receipted for by such Depositary on the respective certificates of deposit issued for such stock. The depositing stockholders agree that all such installments of cash may be used at any time by the Committee for any of the purposes of this plan and agreement, and the Committee agrees that any surplus remaining shall be paid over to the new company when organized. Depositors of stock and holders of certificates of deposit for deposited stock respectively agree that prompt payment of the several installments of cash payable by them respectively on the terms of this Plan and Agreement is an essential condition of acquiring any rights thereunder, and any Depositor or any holder of a certificate for deposit of stock who shall fail to make prompt payment of any installment of cash payable as provided in this Plan and Agreement, on or before the dates fixed for such payment by the Committee, shall forthwith and without further notice or action, cease to have any rights, or to be entitled to any benefits hereunder, and in every such case the deposited stock and any cash paid as above provided prior to the date of such default shall vest in and belong to the Committee, and may be used for any of the requirements of carrying out this Plan and Agreement, and such defaulting Depositor or certificate holder shall not be entitled to the repayment thereof or have any further interest or rights in respect thereof. The Committee may, however, in its discretion, by a resolution, waive any such default and accept payment of overdue installments due from any Depositor at any time.



SECOND.—The Depositors hereunder hereby irrevocably request the Committee to endeavor to carry into practical operation this agreement, including the foregoing Plan of reorganization, in its entirety or in part to such extent and in such manner and with such additions, exceptions and modifications as the Committee shall deem to be for the best interests of the Depositors or of the properties finally embraced in the plan of reorganization. Each and every Depositor, for himself and not for any other Depositor, does hereby sell, assign, transfer and set over to the said parties of the first part as joint tenants and not as tenants in common, and to the survivor or survivors of them and to their successors, as a Committee, each and every bond, share of stock, security or obligation or evidence thereof deposited hereunder or represented by the assenting certificates, and every Depositor and every Assenting Certificate holder hereby agrees that the Committee shall be and hereby is vested with all the power and authority of owners of the stock, bonds, securities and obligations deposited hereunder or represented by such assenting certificates, with full right to transfer the same into its own name as a Committee, or into the name of any other person or persons whom the Committee may select; to vote thereon at any meeting of stockholders or bondholders or creditors; to use every such stock, bond, security, or obligation as fully and to the same extent as the owner or holder thereof, including power to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy to vote at, any and all meetings of stockholders or bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust or lease or under any provision thereof; to purchase at such prices as it shall see fit, or to pay, compromise or settle with the holders of any coupons, notes or other indebtedness of the Railroad Company, or any Receiver's certificates or obligations issued or which may be issued or incurred by the Receivers thereof; to borrow money for any of the purposes of this Agreement, and to charge or pledge any deposited securities, property purchased or new securities to be issued, for the payment of any moneys borrowed; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder or any part thereof, if the Committee shall so deem necessary or expedient in carrying out the purposes hereof; to institute or to become parties to any legal proceedings which could be instituted by any Depositor or the corporation, or any officer of the corporation whose stock or bonds or other obligations (or any part thereof) are deposited hereunder, and to participate in any and all legal proceedings now existing; to apply for Receivers or for the removal of Receivers and the substitution of other Receivers, or for the termination of any receivership and the delivery of any property to its owners; to enter into settlement of any litigation now or at any time existing or threatened, in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the purposes of the Committee; to do whatever, in the judgment of the Committee, may be necessary to promote or to secure joint or separate sales of any property or franchises herein concerned, wherever situated; to adjourn the sale of any property or franchises, or of any portion or lot thereof at discretion; to bid or to refrain from bidding at any sale, either public or private, either in separate lots or as a whole, for any property or franchise or any part thereof, whether or not now owned, controlled or covered by any deposited security, including or excluding any particular rolling stock, or other property, real or personal, and at, before, or after any such sale, to arrange and agree for the resale of any portion of the property which the Com-

mittee may decide to sell rather than to retain; to hold any property or franchises purchased by the Committee either in its name or in the name of persons or corporations by it chosen for the purposes of this agreement, and to apply any security deposited hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; it being understood that the term property and franchises includes any and all railroads, railroad, and other transportation lines, leaseholds, stock, or other interests in corporations, in which the Railroad Company has or may have any interest of any kind whatsoever, direct or indirect. The amount to be bid or paid by the Committee for any property or franchises shall be absolutely discretionary with it; and, in case of the sale to others of any property or franchise, the Committee may receive out of the proceeds of such sale or otherwise any dividend in any form accruing on any securities held by it.

THIRD.—The Committee may procure the organization of one or more companies, or may adopt or use any existing or future companies, and may cause to be made such consolidations, leases, sales or other arrangements, and may make such conveyances or transfers of any properties or securities acquired by the Committee, and may take such other proceedings as it may deem proper for the purpose of creating the new securities provided for in this Plan and Agreement and for carrying out all or any of the provisions thereof.

FOURTH.—The Committee may construe this Plan and Agreement; and its construction thereof or action thereunder in good faith shall be final and conclusive. It may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and it shall be the judge of such necessity. It shall be sole and final judge as to when and whether the assent of enough parties interested in the Railroad Company shall have been obtained to warrant it in carrying the same or any part into effect, and it shall have power whenever it shall deem proper, to abandon or to alter, modify or depart from, the Plan of reorganization, or any part thereof. It may at any time or times, after any such partial abandonment, restore to the Plan any abandoned part or parts thereof, and may seek to carry the same into effect, as fully as if such part or parts had not been abandoned. It may also attempt to carry the Plan into effect rather than abandon or modify the same, even though it be manifest that as carried out the Plan must depart from the original Plan or from some part thereof. But in case of any intentional change or modification or departure from the Plan, which in the judgment of the Committee shall materially affect any of the several classes of Depositors, or their mutual relations, a statement of such proposed change, modification or departure shall be filed with the Depositary, and notice of the fact of such filing shall be given as hereafter provided in Article Twelfth; and all holders of the outstanding certificates for such particular class or classes of securities affected thereby may, within two weeks after final publication, surrender their respective certificates therefor, and withdraw securities of such particular class or classes, or the proceeds thereof or substitutes therefor then under the control of the Committee, to the amount indicated in such receipts or certificates, and such assenting certificate holders may in like manner within the period aforesaid withdraw their assent upon payment by such security holders and assenting certificate holders of their ratable shares of the expenses of the Committee as apportioned by it; and every Depositor of securities not so surrendering and withdrawing and every assenting certificate holder not so withdrawing his assent within such two weeks after final publication shall be deemed to have assented to the proposed changes or modifications, and, whether or not otherwise objecting, shall be bound thereby as fully and effectively as if



he had actually assented thereto, but no such material modification of the Plan shall be made unless the terms of the same are concurred in by four-fifths of the members of said Committee. Any changes or modifications finally made by the Committee shall be part of this Plan and Agreement; and all provisions and references concerning the Plan or Agreement shall apply to the Plan or Agreement so changed or modified. In case the Committee shall finally abandon the entire Plan, the stock, bonds and securities deposited hereunder, or their proceeds, or any stock, bonds, securities or claims representative thereof, then under the control of the Committee, shall be delivered to the several Depositors in amounts representing their respective interests, upon surrender of their respective receipts or certificates and payment of such actual expenses as shall have been incurred by the Committee, which shall have power to determine and to apportion upon the several classes of securities deposited hereunder the ratable share of expense to be borne by such security. In such case the moneys paid by depositing stockholders, or any coupons, notes, receivers' certificates or other claims or property acquired therewith, or the proceeds thereof, when received, shall be equitably distributed or adjusted among the respective holders of the certificates of deposit therefor.

In case of such abandonment in like manner and upon like payment of expenses any assent of the assenting certificate holders shall be released by the Committee, and until so released, the General Mortgage Bonds represented by the assenting certificates shall be subject to their ratable share of expense.

FIFTH.—The Committee may proceed under this Plan and Agreement, or any part thereof, with or without foreclosure, and in case of foreclosure the Committee may exercise any power either before or after foreclosure sale.

In case of any claim, lien or obligation not herein fully provided for and affecting the Railroad Company, or any property or franchise thereof, the Committee may from time to time (subject, however, to Article Sixth hereof), make such compromise in respect thereto or such provision therefor as it may deem suitable, using therefor any securities not expressly required for settlement with Depositors or not expressly reserved for liens or obligations specified in the Plan; but the total amount of new securities to be created by the new company, as set forth in the Plan, shall not be thereby increased.

Any action contemplated in the Plan or Agreement to be performed on or after completion and reorganization may be taken by the Committee at any time when it shall deem the reorganization advanced sufficiently to justify such course, and the Committee, as it may deem necessary, may defer the performance of any provision of the Plan or Agreement or may refer such performance to the new company.

SIXTH.—The Committee may from time to time make contracts with any person, syndicate or corporation for the purpose of carrying this Agreement into effect, and by loan, guaranty, or by the sale of the new securities to be created, or otherwise, on such terms, conditions and rates as it may deem proper, may obtain any moneys required to carry out this Plan and Agreement, including such sums as it may deem expedient to provide for the uses of the new company; and for the performance of any such contract the Committee may charge the deposited securities and the new securities to be issued, and may pledge the same for the payment of any moneys borrowed and interest thereon, and for the performance of any other obligations incurred under the powers herein conferred.

The Committee is hereby authorized at any time, if it deems it beneficial to the security holders or to the new company, or in aid of the Plan, to borrow

from any person, syndicate or corporation, on all or any of the new securities to be created or by a sale thereof or of so many of them as shall be necessary for that purpose (not exceeding the amount allotted therefor under this Plan or any modification thereof) a sum sufficient to pay off and discharge, or to acquire the ownership in whole or in part of the bonds and coupons or other obligations having priority over the General Mortgage Bonds, provided that in case of such purchase of any or all of such prior obligations, bonds and coupons, the Committee shall be, and hereby is, authorized to pay or advance therefor the face value thereof, with the unpaid matured coupons and the interest thereon, and with full power to use, keep and preserve the same in full force for the benefit of this Plan, with full power to pledge the same as security for such loan or for the delivery of the new securities until such new securities are issued, or as additional collateral security, or in any other way that the Committee deem advantageous or beneficial, or which may be necessary in its judgment, to carry out the undertakings of said Committee or to effect the same. (The right of subrogation reserved as aforesaid shall not only apply to such bonds and coupons having priority as aforesaid, but to any decree or other judgment in which such bonds and coupons may be merged.) And the aforesaid right of purchase of the bonds or other obligations having priority on the property to the lien of the General Mortgage Bonds and the coupons matured and interest accrued thereon, shall apply to each and all of such securities which may be deposited under this Plan at the option of said Committee, to be exercised by it at such time or times as it may deem necessary; and when so exercised the holder of the receipt of the Depositary issued on the deposit of such securities shall only be entitled to receive the *pro rata* share of cash which the Depositor is entitled to, in lieu of the new securities as set forth in said Plan, upon surrender for cancellation to the Depositary of the Receipt issued by it against such deposit.

The Committee may employ counsel, agents and all necessary assistance, as well as experts, to examine the books and papers of the Company for past years, as well as the physical condition of the property, and may incur and discharge any and all expenses by it deemed reasonable for the purposes of this Plan and Agreement.

In case said Committee effects any reorganization under this Plan, or by purchase of the property under a decree, or by amicable arrangement with non-assenting security holders, or by any settlement or by the adoption of any other Plan than the one herein proposed, all of which is hereby authorized, proper and reasonable compensation for the Committee and its counsel shall be reserved out of the proceeds of sale and out of any moneys or new securities received by it.

It may prescribe the form of all securities and of all instruments at any time to be issued or entered into under this Agreement. It may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder. It may, at public or private sale, or otherwise, dispose of any securities of the new company left in the hands of the Committee because of any failure to make deposits hereunder. In so disposing of any such new securities thus left on hand, it may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as it may deem expedient and advisable. At the time of the creation of the new securities, or as soon thereafter as may be, the Committee may take such action (either by creating lesser amounts of securities, or otherwise), as it may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of this Plan and Agreement.

It is understood and agreed that in order that the said bonds and the coupons belonging thereto, and the stocks deposited hereunder, and the bonds represented by the assenting certificates, may be also held by the said Committee for the purpose of being



used by it in and about the completion of such purchase, or, in case other persons than the Committee shall become the purchasers of the said mortgaged premises, for the purpose of realizing in behalf of said depositors respectively, their *pro rata* proportion of the proceeds of such sale, to which, as holders of such deposited securities and assenting certificates, they might be entitled, the said bonds and the coupons as well as said stock shall be deposited with the Central Trust Company of New York, to be held by it until required by the Committee, and then to be delivered by it to said Committee upon its request so to do.

SEVENTH.—The action of a majority of the members of the Committee, expressed from time to time either at a meeting, or unanimously in writing without meeting, shall, except as hereinbefore otherwise provided, for all purposes constitute the action of the Committee. It may adopt its own rules of procedure. Any vacancy in the Committee may be filled by appointment in writing by the remaining members or a majority of them, and the Committee may by a majority of its members add to its number. All title, rights and powers vested in the Committee hereunder shall, from time to time, vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever. In case of absence, any member may vote by his proxy in writing. Neither the Committee nor the Depositary assumes any personal responsibility for the execution of this Plan and Agreement, or any part of either, nor for the result of any steps taken or acts done for the purpose thereof, the members of the Committee, however, undertaking in good faith to endeavor to execute the same. No member of the Committee, nor the Depositary, shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his or its own individual willful malfeasance or neglect; and no member of the Committee shall in any case be personally liable for the act or omission of any other member, nor for the acts of the Depositary, nor shall the Depositary be personally liable for the acts of the Committee. Any member of the Committee may at any time resign by giving notice in writing to a majority of the remaining members, and the Committee may give full release and discharge to any such member, or to the personal representative of any deceased member. The Committee may act through sub-committees or agents and may delegate any authority as well as discretion to any such sub-committee or agent; its members shall be allowed a reasonable compensation for their services hereunder. The Committee, or the Depositary, or any present or future member of either, may be a member of the Committee or of the Depositary, and may be or become pecuniarily interested in any contracts, property or matters which this Agreement concerns, including any syndicate agreement, whether or not mentioned in the Plan, or in respect to matters about which the Committee will need to take action; such may be the case with future members, and all action of the Committee or of its members shall be effectual and binding, notwithstanding such interest, with the same effect as if it did not exist. Any direction given by the Committee shall be full and sufficient authority for any action of the Depositary or any Trust Company, or of any other custodian, or of any sub-committee or agent.

EIGHTH.—The Committee may negotiate and agree with any and all companies or persons for obtaining or granting terminal facilities, exchanges of property, or any other conveniences which it may deem necessary or desirable to obtain or to grant, in the operation of said railroad, and may make contracts therefor binding upon such new company; and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in its opinion operate directly or indirectly to aid in

the preservation, improvement, development or protection of any property now constituting the Memphis and Charleston Railroad system, or which the Railroad Company contracted to acquire, or to prevent or avoid opposition to or interference with, the successful operation thereof.

NINTH.—The accounts of the Committee shall be filed with the President of the Central Trust Company of New York, hereinbefore mentioned, within one year after the reorganization of the Company shall have been completed, and shall be audited by him. The accounts, when audited and approved by such President of said Trust Company, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Committee shall be discharged. The acceptance of new securities by any Depositor or assenting certificate holder shall estop such Depositor or assenting certificate holder from questioning the conformity of such securities, as to character or otherwise, with any provision of said Plan and the acceptance of new securities by a majority in amount of any class of security holders shall so estop all Depositors of such class.

TENTH.—The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred, or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Committee, and that each Depositor and assenting certificate holder hereby confers on the Committee, in respect of all securities deposited or to be deposited, and in all other respects, any and all powers necessary or expedient, or which to the Committee may seem expedient in or towards carrying out or promoting the purposes of this Plan and Agreement in any respect, even though any such power be apparently of a character not now contemplated; and the Committee may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, it may deem expedient. The methods to be adopted for or towards carrying out this plan and agreement shall be entirely discretionary with the Committee.

No right is conferred, or trust, liability or obligation (except the agreements herein contained in favor of the holders of certificates of deposit hereunder and assenting certificates) is created by this Plan and Agreement, or is assumed hereunder or by or for any new company in favor of any bondholder, or any other creditor, or of any holder of any claim whatsoever against the Railroad Company, nor in favor of any company now existing or to be formed hereafter (whether such claim be based on any bonds, stocks, securities, lease, guaranty or obligation of whatsoever nature or description), with respect to any securities deposited under this Plan and Agreement or any moneys paid to or received by any of the Committee or Depositaries hereunder, or with respect to any property acquired by purchase at any foreclosure sale, or with respect to any new securities to be issued hereunder, or with respect to any other matter or thing, and this Plan shall be construed as an agreement for the rehabilitation or recapitalization of the Memphis and Charleston Railroad Company in case the Committee shall purchase the same or become possessed thereof in any other manner in behalf of the holders of the General Mortgage 6 Per Cent. Bonds of the said Railroad Company, and the privilege to participate in the benefits of the Plan and Agreement extended to the stockholders shall be deemed to arise only after the sale and purchase of said property by said Committee, and shall not be construed to create a trust in favor of any other security holder or creditor of said Company.

It is further understood and agreed that the Committee may, in its own behalf or in behalf of the new company, when organized, hold any deficiency judgment or other securities or claims against said Railroad Company for the unpaid parts thereof, in any



way acquired by it by purchase or otherwise, in full force and effect for all purposes, and they shall not be deemed satisfied, released or discharged by any delivery of new securities; and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any deficiency judgment obtained in respect of any of said deposited bonds, and any judgment upon any of such claims, and all liens and equities, shall remain unimpaired, and may be enforced by the Committee or by the new company, or by any other assign of the Committee, until paid or satisfied in full or expressly released.

ELEVENTH.—Any moneys paid under or with reference to said Plan or this Agreement shall be paid over by the Depositary to the Committee, and shall be applicable for any of the purposes of the Committee, whose determination as to the propriety and purpose of any such application shall be final, and nothing in said Plan shall be understood as limiting or requiring the application of specific money to specific purposes. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the Plan either as proposed, modified or carried out, or any securities held as collateral for any such obligation, may be acquired or extinguished or held by the Committee at such times, in such manner and upon such terms as it may deem proper for the purposes of reorganization; but nothing contained in the Plan or in this Agreement is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

TWELFTH.—All calls for the deposit of bonds and stocks, for the payment of assessments or for the surrender of certificates, and to have assents stamped thereon; all notices fixing or limiting the time for the deposit of securities or the payment of assessments, and all other calls or notices hereunder, shall, except when otherwise provided, be inserted in at least two daily papers of general circulation published in the City of New York, twice in each week for two successive weeks, beginning on any day of the week. Any call or notice whatsoever, when so published by the Committee, shall be taken and considered as though personally served on all parties hereto and upon all parties becoming bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this Plan and Agreement, and all other right to claim personal or other notice or written or personal demand is hereby waived.

THIRTEENTH.—This Plan and Agreement shall bind the Committee and their successors in office appointed in accordance herewith, the Depositors hereunder, their and each of their heirs, executors, administrators, successors and assigns.

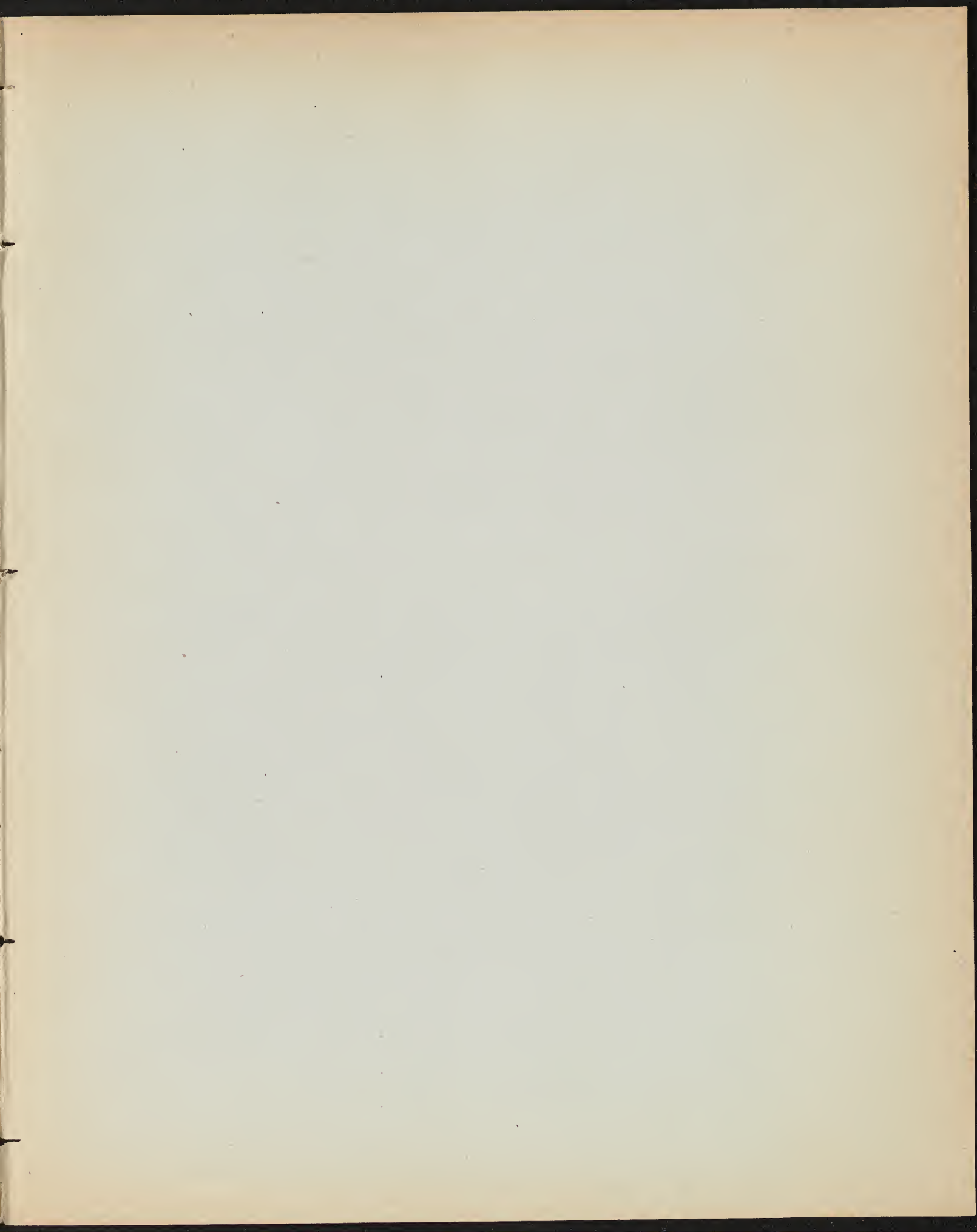
IN WITNESS WHEREOF, a majority of the members of the Committee have hereunto signed their names, and all other parties hereto have deposited securities as above set forth.

SIMON BORG,  
J. KENNEDY TOD,  
ALBERT S. ROE,  
EMANUEL LEHMAN,  
J. J. McCOMB,  
*Committee.*











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AMENDED  
PLAN AND AGREEMENT  
FOR THE  
REORGANIZATION  
OF THE  
Oregon Railway and Navigation  
Company's System

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ALFRED S. HEIDELBACH,  
W. L. BULL,  
GEORGE COPPELL,  
CHARLES S. FAIRCHILD,  
ARNOLD MARCUS,  
JOHN CROSBY BROWN,  
A. A. H. BOISSEVAIN,  
HENRY R. REED,

} *General  
Reorganization  
Committee.*

EVARTS, CHOATE & BEAMAN,  
*Counsel.*

HOWARD C. TRACY,  
*Secretary.*

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## AMENDED PLAN

FOR THE

### REORGANIZATION OF THE OREGON RAILWAY & NAVIGATION COMPANY'S SYSTEM.

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The Oregon Railway & Navigation Company is a corporation organized under the laws of the State of Oregon, and owns a railroad in the States of Oregon and Washington of about 642.73 miles of main line and branches. It is also the owner of all the capital stock of the Cascades Railroad Company, the Columbia & Palouse Railroad Company, the Mill Creek Flume & Manufacturing Company, the Walla Walla & Columbia River Railroad Company, the Oregon Railway Extensions Company and the Washington & Idaho Railroad Company. It is also the owner of all of the mortgage bonds of the said Columbia & Palouse Railroad Company, the Oregon Railway Extensions Company and the Washington & Idaho Railroad Company.

The Cascades Railroad Company is a corporation organized under the laws of the Territory (now State) of Washington, and owns a railroad in Washington about 6 miles in length, and has no mortgage debt.

The Columbia & Palouse Railroad Company is a corporation organized under the laws of the Territory (now State) of Washington, and owns a railroad in Washington and Idaho about 144.80 miles in length, and has a mortgage debt of \$2,829,000.

The Mill Creek Flume & Manufacturing Company is a corporation organized under the laws of the Territory

(now State) of Washington and owns a railroad in Washington about 13.40 miles in length, and has no mortgage debt.

The Walla Walla & Columbia River Railroad Company is a corporation organized under the laws of the Territory (now State) of Washington and owns a railroad in Oregon and Washington about 35.52 miles in length, and has no mortgage debt.

The Oregon Railway Extensions Company is a corporation organized under the laws of the State of Oregon and owns a railroad in Oregon and Washington about 68.73 miles in length, and has a mortgage debt of \$1,511,580.

The Washington & Idaho Railroad Company is a corporation organized under the laws of the Territory (now State) of Washington and owns a railroad in Washington and Idaho about 154.20 miles in length, and has a mortgage debt of \$4,447,500.

The mortgage indebtedness of the Oregon Railway and Navigation Company is as follows:

I.—*First Mortgage 6% Gold Bonds maturing July 1, 1909, to the amount now outstanding of \$4,900,000.*

These bonds are secured by a mortgage to The Farmers' Loan and Trust Company, dated July 1, 1879, on all the railroads of the Oregon Railway & Navigation Company proper, and there is also held by the trustee as collateral security under said mortgage all the capital stock of said Cascades Railroad Company, viz., \$300,000, and also \$309,000 of the first mortgage bonds of the Willamette Transportation & Locks Company. By said mortgage there is also provided a sinking fund consisting of semi-annual payments of \$30,000 each, which, together with interest on bonds in the sinking fund, is to be applied to the purchase of the bonds secured by said mortgage at a price not to exceed \$1,100 per bond, or to the redemption of said bonds at par and interest in case they cannot be purchased at or below \$1,100 per bond. The interest on this mortgage is not in default, but five semi-annual sinking fund payments are in default, and similar defaults exist

in interest on the bonds held in the sinking fund, the whole of all such defaults amounting now to about \$307,950.

II.—*Consolidated Mortgage 5% Gold Bonds maturing June 1, 1925, to the amount now outstanding of \$12,583,000.*

These bonds are secured by a second mortgage to The Farmers' Loan and Trust Company, dated June 1, 1885, on the property covered by the first mortgage, and there are also held by the trustee as collateral security under such consolidated mortgage all the capital stock of said Columbia & Palouse Railroad Company, viz., \$1,000,000, all of the mortgage bonds of said company, viz., \$2,829,000, and all the capital stock of said Walla Walla & Columbia River Railroad Company, viz., \$700,000. No interest has been paid on these consolidated mortgage bonds since the payment of the coupon which matured on June 1, 1893.

III.—*Collateral Trust Mortgage 5% Gold Bonds maturing September 1, 1919, to the amount now outstanding of \$5,182,000.*

These bonds are secured by a collateral trust mortgage to the American Loan & Trust Company, dated September 2, 1889, under which are pledged \$4,260,000 of the \$4,447,500 of the mortgage bonds of said Washington & Idaho Railroad Company, and all, viz., \$1,511,580 of the mortgage bonds of said Oregon Railway Extensions Company. No interest has been paid on these collateral trust mortgage bonds since the payment of the coupon which matured on September 1, 1893.

The capital stock of the Oregon Railway & Navigation Company now outstanding consists of 240,000 shares, 138,272 shares of which were deposited with the American Loan & Trust Company as security for the collateral trust bonds of the Oregon Short Line & Utah Northern Railway Company, and have since been bought in at foreclosure sale by the Amsterdam Committee and the Boston Committee of collateral trust bondholders of said Oregon



Short Line & Utah Northern Railway Company. No interest has been paid on these bonds since the payment of the coupon which matured on September 1, 1893.

The railroads of the above mentioned Cascades Railroad Company, Columbia & Palouse Railroad Company, Mill Creek Flume & Manufacturing Company, Walla Walla & Columbia River Railroad Company, Oregon Railway Extensions Company, and Washington & Idaho Railroad Company, the stocks of which are owned by the Oregon Railway & Navigation Company, are leased to the Oregon Railway & Navigation Company.

#### GENERAL PLAN OF REORGANIZATION.

The Consolidated Mortgage of the Oregon Railway & Navigation Company is now being foreclosed.

The Collateral Trust Mortgage of the Oregon Railway & Navigation Company is also being foreclosed, and it is proposed soon to begin foreclosure proceedings under the mortgages securing the bonds respectively of the Oregon Railway Extensions Company and of the Washington & Idaho Railroad Company.

The property of the Oregon Railway & Navigation Company covered by its consolidated mortgage, and also all other property of that company so far as the same shall be acquired, will be vested in a new company to be formed; and such new company will also acquire the property covered by the mortgage of the Oregon Railway Extensions Company, and the property covered by the mortgage of the Washington & Idaho Railroad Company or the bonds and capital stock of those companies. The new company will then make a consolidated mortgage to secure an issue limited to \$24,500,000 of four per cent. fifty-year gold bonds, such mortgage to be a second mortgage on the property covered by the present first mortgage of the Oregon Railway & Navigation Company, and a first mortgage on all the other property of the new company. This consolidated mortgage will be dated as soon as practicable after the incorporation of the new company, and the bonds issued thereunder will bear interest

from June 1, 1895, payable semi-annually. Provision will be made in such bonds that the interest may be payable in Berlin, Germany, at the fixed rate of four mark, twenty pfennig per dollar. The right will be reserved in said consolidated mortgage to issue at the maturity of the present outstanding first mortgage bonds, or at any earlier time, bonds secured by said consolidated mortgage in exchange or substitution for said first mortgage bonds at the rate of not more than one hundred and ten dollars of the principal of such consolidated mortgage bonds for each one hundred dollars of the principal of such first mortgage bonds exchanged or substituted or paid off otherwise than by the operation of the sinking fund.

The new company will also issue \$11,000,000 of four per cent. non-cumulative preferred stock, and \$24,000,000 of common stock, and it will be arranged that the company shall have an office in Berlin, Germany, for the transfer of its stocks and payment of its dividends.

The coupon due December 1, 1893, on the then outstanding consolidated mortgage bonds will be paid in cash.

An assessment of six dollars per share will be made on the holders of the present common stock.

#### DISTRIBUTION OF NEW SECURITIES.

The four per cent. consolidated mortgage bonds of the new company will be distributed as follows:

To \$12,583,000 existing consolidated mortgage bonds now outstanding at the rate of 100 per cent.....	\$12,583,000
To \$5,182,000 existing collateral trust bonds now outstanding at the rate of 50 per cent.....	2,591,000
Reserved to be issued only in amounts equal to the existing first mortgage bonds that may from time to time be acquired for the sinking fund, or to be issued at the rate of not more than one hundred and	

ten dollars of the principal of such bonds for each one hundred dollars of the principal of said first mortgage bonds exchanged or substituted or paid off otherwise than by the operation of the sinking fund .....	\$5,390,000
Reserved to be used for betterments and acquisition of terminals, with the approval of two-thirds of the Board of Directors, and at the rate of not more than \$250,000 per annum .....	1,106,000
Total .....	<u>\$21,670,000</u>

The remaining \$2,830,000 of such bonds may be issued and used for the construction of additional road to the mouth of the Columbia River or elsewhere at the rate of not more than \$20,000 per mile of constructed road.

The preferred stock of the new company will be distributed as follows:

To \$12,583,000 consolidated mortgage bonds now outstanding, at the rate of 45 per cent. ....	\$5,662,350
To \$5,182,000 collateral trust bonds now outstanding, at the rate of 70 per cent. ....	3,627,400
To the holders of the present common stock, as compensation for payment of assessment of 6 per cent. on \$24,000,000 .....	1,440,000
To be delivered to the General Reorganization Committee, and used for the general purposes of the new company, and towards the payment of the expenses of reorganization .....	270,250
Total .....	<u>\$11,000,000</u>

The common stock of the new company will be distributed share for share to the holders of the present common stock who pay their assessment... \$24,000,000

On the completion of this plan, the present consolidated mortgage five per cent. bonds will receive:

Par in the four per cent. bonds secured by the consolidated mortgage of the new company,

Forty-five per cent. in the preferred stock of the new company, the latter being given as compensation for reduction of interest in future, and also for unpaid coupons, and

Two and one-half per cent. in cash in payment of the coupon that matured December 1, 1893.

The collateral trust mortgage five per cent. bonds will receive:

Fifty per cent. in the four per cent. consolidated mortgage bonds of the new company, and

Seventy per cent. in the preferred stock of the new company as compensation for the reduction of capital, interest and unpaid coupons.

The common shares will receive:

Par in common of the new company, and also

Preferred stock of the new company, equal at par to the amount of assessment paid, on payment of assessment and surrender of old stock.

It will be provided in the articles of incorporation of the new company that the preferred stock of said new company shall be entitled in each calendar year to receive dividends, if declared, to the amount of four per cent. per annum, non-cumulative, before any dividend shall be paid upon the common stock, and that the common stock shall be entitled after the payment of four per cent. dividends to the preferred stock, to all dividends declared during the same year up to four per cent. per annum, and that after the payment of this dividend to the common stock, all dividends declared during that year shall be distributed *pro rata* to the preferred and the common stock. In case of liquidation of such new company the holders of the



preferred stock shall be entitled to receive the par amount of their stock out of the assets of such company in priority to the common stock. The preferred stock shall not be increased without the consent of all the stockholders of the company.

It will also be provided in the articles of incorporation of the new company that the Board of Directors of such company shall consist of fifteen members. Eight of such directors must, under the laws of Oregon, be residents of that State.

It will also be provided in such articles of incorporation that no mortgage shall be put upon the property of the company and that no sale or lease of its railroad or telegraph line shall be made without the approval of the holders of a majority of the preferred and a majority of the common stock, and that said company shall not consolidate itself with or into any other company without like approval. It is understood, however, that this provision in the articles of incorporation shall not require the approval of the mortgages hereinbefore specified by the stockholders, and that the General Reorganization Committee may on behalf of the holders of all the preferred and of all the common stock of the new company vote an approval of the execution of said mortgages or either of them.

All of the stock of such new company, both common and preferred, except enough of the preferred stock to qualify directors, shall be issued to and deposited with the Central Trust Company of New York, or some other trust company selected by the General Reorganization Committee under a trust agreement, and certificates shall be issued by the trust company thereagainst to the persons otherwise entitled under this plan to the preferred stock and to the common stock of such new company, respectively, so as to insure to the persons entitled to certificates representing preferred stock the right to nominate ten members of the Board of Directors of such new company, and to the persons entitled to certificates representing common stock the right to nom-

inate five members of such Board of Directors. Provision shall be made so that there shall be an office in Berlin, Germany, for the transfer of certificates and the payment or distribution of dividends to the holders of such certificates. Said trust agreement shall remain in force until May 1, 1906, and at least ten years from the sale and conveyance of the property of the Oregon Railway and Navigation Company under decree of foreclosure, unless the same be sooner terminated in any of the following methods, to wit:

A.—By the consent of the holders of two-thirds of each class of certificates issued under said trust agreement given at meetings of the holders of such certificates.

B.—Such trust agreement shall also sooner terminate if, and as soon as, the aggregate amount of dividends declared and payable by the successor of the Oregon Railway and Navigation Company upon its preferred capital stock shall equal twenty per cent. of the par value thereof, whether such dividends are declared successively or not and without regard to the several amounts of the dividends so declared and payable.

C.—Such trust agreement shall also sooner terminate if and when prior to such time a deposit shall be made with the Central Trust Company of New York, the trustee under said agreement, of such amount or amounts, less a discount of six per cent. per annum as hereinafter provided, as together with the aggregate amount of dividends upon the preferred stock theretofore paid to such trustee prior to such deposit shall equal the gross sum of twenty per cent. of the par value of such preferred stock. Said amount is to be paid as soon as deposited to the holders of the certificates representing preferred stock.

D.—Said trust agreement shall also sooner terminate if and when a guaranty shall be given by either the American Surety Company of the City of New York or the Lawyers' Surety Company of the City of New York, or if and when a guaranty shall be given by any other person or other corporation of the City of New York which is satisfactory to the said trustee in said trust

agreement guaranteeing for the benefit of such holders of such preferred stock, either in the way of dividends or otherwise, the payment of such sum of money as shall together with the aggregate amount of dividends paid to the trustee thereon prior to such guaranty be equal to twenty per cent. of the par value of such preferred stock, it being understood that any such guaranty shall be for payment on the first day of each successive calendar year thereafter at the rate of at least four per cent. per annum for the balance of the twenty per cent. theretofore unpaid.

The exercise of the right to terminate the trust agreement as hereinbefore stated in paragraphs C and D is given for a period of two and a half years from the beginning of the trust agreement only to the holders of certificates representing a majority of the common stock of the new company. And after the expiration of said two and a half years it is given to the holders of certificates representing at least two millions of such common stock.

It is to be provided in said agreement that in case the trust agreement is terminated in either of the ways stated in paragraphs C and D, the holders of the certificates representing the common stock who so exercised the option to terminate the same shall be subrogated to all the rights of the holders of the preferred stock or of holders of certificates representing preferred stock to dividends up to the amount of the sum deposited as provided in paragraph C, without deducting discount, or up to the amounts paid by the guaranty as provided in paragraph D, but only within the time for which said dividends are by said deposit anticipated or are guaranteed and paid.

It is further understood that in case this agreement shall be terminated in either of the ways provided for in paragraphs C and D, the trustee, upon surrendering the preferred stock to the persons entitled thereto, shall stamp upon the certificate of such stock the fact that the trust agreement has been terminated by the payment or guar-

anty of dividends, and that during the period for which such dividends have been paid or guaranteed the holders of preferred stock shall not be entitled to any dividends declared by the company. But all the dividends declared by the company upon such preferred stock during such period shall be paid by the company to the Central Trust Company of New York, the trustee under said agreement, to be paid over by said trustee to the common stockholders making the deposit or causing the guaranty to be given.

For the purpose of computing the discount to be deducted if the agreement shall be terminated as provided in paragraph C, and for the purpose of determining the time within which the holders of common stock making the deposit as provided in paragraph C or causing the guaranty to be given as provided in paragraph D shall be entitled to dividends declared by the company upon the preferred stock, it shall be provided in said agreement that it shall be considered that the first dividend of four per cent. of the par value of the preferred stock would have been payable on the first day of the calendar year next following the year within which the agreement is terminated and that the subsequent dividends would have been payable at intervals of one year thereafter.

It is the intention that, while the preferred stockholders are entitled under the trust agreement to nominate and cause to be elected a majority of the Board of Directors of the new company, no contract shall be made by the new company or by its Board of Directors which will restrict the operation of the company, either by leases, traffic contracts or otherwise for a period longer than one year from the making of such agreement.

Upon the termination of said agreement all of the stock shall be delivered to the holders of the certificates upon the surrender thereof. The majority of the holders of certificates representing preferred stock shall have the right to nominate each year at a general meeting of the holders of such certificates, held at a time and place designated as provided in such trust agreement, ten directors, at least five of whom shall be residents of Oregon, and the



holders of certificates representing common stock shall have the right to nominate each year at a general meeting of the holders of such certificates, held at a time and place designated as provided in said trust agreement, five directors, at least three of whom shall be residents of Oregon. It shall be made the duty of the trustee holding such stock to vote at any meeting of the stockholders of such new company, held for the purpose of electing directors, the stock held by it, both common and preferred, so as to elect as directors of such new company the persons nominated from time to time, as hereinbefore provided.

In case it shall happen at any time while the stock shall be held under the trust agreement, that the stockholders of the new company shall be called upon at any meeting to take action or determine upon any question, it shall be the duty of the said Trust Company to submit such question at general meetings of the holders of certificates, representing respectively preferred and common stock, and it shall be the duty of such trustee, at the meeting of the stockholders, unless an affirmative vote shall be authorized and directed by the holders of a majority of the certificates voting at meetings of each class of certificate holders, to vote in the negative upon all questions relating to the mortgaging, selling or leasing of the railroad or telegraph lines of the company or to the consolidation thereof; but upon all other questions the trustee shall vote as directed by the holders of a majority of the aggregate of all the certificates of both classes represented at the two meetings.

The plan is to be carried out under the direction of a committee to be known as the General Reorganization Committee, consisting of Alfred S. Heidelberg, W. L. Bull, George Coppel, Charles S. Fairchild, A. Marcus, John Crosby Brown, A. A. H. Boissevain and Henry R. Reed.

This General Reorganization Committee is to have the naming of the first board of directors of the new company.

## FIXED CHARGES.

Under the foregoing plan the fixed charges of the new company during the first year of its operation would be approximately as follows:

Interest on \$4,900,000 outstanding first mortgage bonds at 6 per cent.....	\$294,000 00
Annual payment into sinking fund under provisions of existing first mortgage, about.....	\$123,000 00
which will be provided in part by the sale of \$123,000 of new consolidated 4 per cent. bonds at, say, 80 per cent.....	98,400 00
	<hr/>
	\$24,600 00
Add interest on \$123,000 new 4 per cent. bonds sold .....	4,920 00
	<hr/>
Net payment on account of sinking fund....	29,520 00
Interest on \$15,174,000 new consolidated mortgage bonds at 4 per cent.....	606,960 00
	<hr/>
Total fixed charges.....	<u><u>\$930,480 00</u></u>

By the operation of the sinking fund provided in the existing first mortgage, the above mentioned amount, viz., \$930,480, of fixed charges will be annually reduced by about \$1,000, and this amount is considered to be well within the earning capacity of the property.

The present fixed charges of the Oregon Railway and Navigation Company, under existing conditions, are as follows:

Interest on \$4,900,000 outstanding first mortgage bonds at 6 per cent. ....	\$294,000 00
Amount required for sinking fund under provisions of existing first mortgage, about ...	123,000 00
Interest on \$12,583,000 outstanding consolidated mortgage bonds at 5 per cent. ....	629,150 00
Interest on \$5,182,000 outstanding collateral trust bonds at 5 per cent. ....	259,100 00
Total .....	<u>\$1,305,250 00</u>

## ESTIMATED CASH REQUIREMENTS.

The estimated cash requirements under the foregoing plan are as follows:

One coupon due December 1, 1893, on \$12,583,000 existing consolidated mortgage bonds, 2½ per cent. ....	\$314,575 00
Betterments to property, acquisition of terminals and amount to be used in settlement of outstanding claims .....	1,250,000 00
Expenses of reorganization, including formation of new company, issue of new securities, stamps on bonds and stocks in foreign countries and contingencies .....	435,425 00
Total cash requirements. ....	<u>\$2,000,000 00</u>

This amount will be provided as follows:

The assessment of 6 per cent. on \$24,000,000 existing common stock will yield .....	\$1,440,000 00
There will be on hand from operation of the property about .....	560,000 00
Total .....	<u>\$2,000,000 00</u>

## AGREEMENT

FOR THE

### REORGANIZATION OF THE OREGON RAILWAY & NAVIGATION COMPANY'S SYSTEM.

AN AGREEMENT made this sixth day of September, 1895, between Alfred S. Heidelberg, William L. Bull, George Coppel, Charles S. Fairchild, Arnold Marcus, John Crosby Brown, A. A. H. Boissevain and Henry R. Reed (hereinafter called the "General Reorganization Committee"), parties of the first part, and such holders of stocks or bonds of the Oregon Railway and Navigation Company (hereinafter called the "Oregon Company") as shall become parties to this agreement (hereinafter called the "Depositing Security Holders"), parties of the second part.

WHEREAS, default has been made by the Oregon Railway and Navigation Company in the payment of the interest which became due on the first day of December, 1893, on the so called consolidated bonds of the said company, and such default has since continued; and default has been made by the Oregon Railway and Navigation Company in the payment of the interest which became due on the first day of March, 1894, on the so-called collateral trust bonds of the said company, and such default has since continued;

AND WHEREAS, in the suit of the Farmers' Loan and Trust Company, as Trustee of the consolidated mortgage of the said Oregon Railway and Navigation Company, the Circuit Court of the United States for the Districts of Oregon, Washington, California and Idaho have appointed a Receiver of all of the property of the Oregon Railway and Navigation Company, and the said consolidated mortgage is now being foreclosed in said suit;



AND WHEREAS, said Alfred S. Heidelberg, William L. Bull, George Coppel, Charles S. Fairchild and Arnold Marcus were constituted a committee (hereinafter called the Consolidated Mortgage Committee) for the protection of holders of the Consolidated Mortgage Bonds of the Oregon Company;

AND WHEREAS, \$11,993,000 of the said bonds have been deposited with the New York Security and Trust Company, or are held subject to its order, under a bondholders' agreement dated the 30th day of April, 1894, and certificates of said Trust Company have been issued therefor;

AND WHEREAS, John Crosby Brown, James Jackson and Robert Fleming were constituted a committee (hereinafter called the Collateral Trust Committee) for the protection of holders of the Collateral Trust Mortgage Bonds of the Oregon Company;

AND WHEREAS, \$4,916,000 of the said bonds have been deposited with the United States Trust Company of New York, under a bondholders' agreement dated the 12th day of July, 1894, and certificates of said Trust Company have been issued therefor;

AND WHEREAS, Henry R. Reed, Thomas L. Livermore and Joseph S. Fay, Jr., were constituted a committee (hereinafter called the Minority Stockholders' Committee) for the protection of the interests of the minority stockholders of the Oregon Company;

AND WHEREAS, Eugen Altman, Edmund Helfft, A. Hoppenstedt, Dr. Georg Siemens, Dr. Henry Oswalt, Arthur Gwinner and Emil Kalb, were constituted a committee in the City of Berlin, Germany (hereinafter called the Berlin Committee), for the protection of the holders in Germany of the Consolidated Mortgage Bonds of the Oregon Company, and a majority of all the said bonds were deposited

with said Berlin Committee and are now represented by it;

AND WHEREAS, the bonds deposited with said Berlin Committee have been deposited with the New York Security and Trust Company of New York, or are held subject to its order, under the said bondholders' agreement of the said Consolidated Mortgage Committee, dated the 30th day of April, 1894;

AND WHEREAS, P. A. L. Van Ogtrop, J. H. Broekman, D. Rahusen, A. Roelvink, R. Van Rees, H. P. Berlage and A. A. H. Boon Hartsink were constituted a committee in Amsterdam, Holland, (hereinafter called the Amsterdam Committee,) to protect the interests of Dutch holders of the Collateral Trust Mortgage Bonds of the Oregon Short Line and Utah Northern Railway Company (hereinafter called the Short Line Company), under which mortgage a majority of the stock of the Oregon Company was pledged as collateral;

AND WHEREAS, Francis S. Bangs, Walter G. Oakman, Howland Davis, W. S. Fitz, George C. Lee and Barthold Schlesinger were constituted a committee, (hereinafter called the Boston Committee,) to protect the interests of the American holders of the Collateral Trust Mortgage Bonds of said Short Line Company;

AND WHEREAS, the said Consolidated Mortgage Committee has formulated the annexed plan for the reorganization of the affairs of the Oregon Company, and the same has been approved by each of the other committees above mentioned;

AND WHEREAS, the parties of the first part have been selected to act as a General Reorganization Committee, to carry out such plan;

NOW, THEREFORE THIS AGREEMENT WITNESSETH, That each and every depositing security holder hereby promises

and agrees to and with the General Reorganization Committee, and to and with each and every other party hereto and the said committees, and the said committees and the depositaries do respectively agree, each for itself and not for the others as follows:

FIRST.—A printed copy of this agreement, certified by the Chairman of, or signed by at least five members of, the General Reorganization Committee, shall be mailed to each of the committees hereinbefore specified, and a like printed copy be lodged with each depositary specified herein or hereinafter appointed, and all or any of the copies so certified shall be taken as one original agreement. The annexed plan of reorganization is a part of this agreement, and said plan and this agreement shall be taken and construed together as one instrument, and as though all the provisions of said plan were embodied herein. It is understood, however, that no estimate, statement or explanation in said plan, or in this agreement, is intended or shall operate as a representation or warranty, or shall be a condition of the deposit of securities hereunder, and no error therein shall release any depositing security holder, except with the consent of the General Reorganization Committee.

SECOND.—Holders of consolidated mortgage bonds of the Oregon Company who have deposited their bonds under the said bondholders' agreement dated the 30th day of April, 1894, may become parties to this agreement as follows:

The said Consolidated Mortgage Committee shall forthwith adopt said plan and this agreement, and submit the same to its depositing bondholders at a meeting to be called as provided for in its said bondholders' agreement, dated the 30th day of April, 1894; and if said plan and this agreement shall be adopted or assented to as in said bondholders' agreement provided, then the same shall be binding upon said depositing bondholders and upon the holders of the certificates of the New York Security and

Trust Company, with which company under said bondholders' agreement such bonds are deposited, as if the said bonds had been specifically deposited with said Trust Company under said plan and this agreement; and said depositing bondholders and the holders of said Trust Company's certificates shall thereupon and thereby become parties to this agreement, and they shall be bound by all the terms hereof as if they had affixed their hands and seals hereto, and their said bonds shall be deposited under said plan and this agreement in accordance with Article Fourth hereof.

THIRD.—Holders of collateral trust bonds of the Oregon Company who have deposited their bonds under the said bondholders' agreement, dated the 12th day of July, 1894, may become parties to this agreement as follows:

The said Collateral Trust Committee shall forthwith adopt said plan and this agreement, and submit the same to its depositing bondholders at a meeting to be called as provided for in its said bondholders' agreement, dated the 12th day of July, 1894, and if said plan and this agreement shall be adopted or assented to as in said bondholders' agreement provided, then the same shall be as binding upon said depositing bondholders and upon the holders of the certificates of the United States Trust Company of New York, with which company under said agreement such bonds are deposited, as if the said bonds had been specifically deposited with said Trust Company under said plan and this agreement; and said depositing bondholders and the holders of said Trust Company's certificates shall thereupon and thereby become parties to this agreement, and they shall be bound by all the terms hereof as if they had affixed their hands and seals hereto, and their said bonds shall be deposited under said plan and this agreement in accordance with Article Fourth hereof.

FOURTH.—At the time of the submission of the plan hereto annexed and of this agreement to their respective depositing bondholders, the Consolidated Mort-



gage Committee and the Collateral Trust Committee shall obtain from their respective depositing bondholders assenting to the plan and this agreement authority to deposit under the plan and this agreement the bonds of such assenting bondholders with the New York Security and Trust Company and the United States Trust Company of New York, respectively, and the said Committees shall so deposit the same; and thereafter all such bonds shall be held by such Trust Companies respectively and each of them for and subject to the order of the General Reorganization Committee under the plan and this agreement, and such Trust Companies shall respectively give a certificate to that effect to such Committee. The General Reorganization Committee shall have power to assume all of the expenses of such committees or charges against such bonds so deposited, theretofore incurred, or for which said Committees or either of them may at the time of such deposit be liable.

FIFTH.—Holders of the consolidated mortgage bonds of the Oregon Company who have not yet deposited the same under said bondholders' agreement dated the 30th day of April, 1894, and holders of the collateral trust bonds of the Oregon Company who have not yet deposited the same under said bondholders' agreement dated the 12th day of July, 1894, may become parties to this agreement by depositing their bonds with said New York Security and Trust Company and United States Trust Company of New York, respectively, upon the terms specified in said plan and in this agreement on or before a day to be fixed by the General Reorganization Committee, and may receive therefor the certificates of said Trust Companies respectively of deposit under this agreement, and they will, by such deposit and by the acceptance of such certificates of deposit, become parties to this agreement and be bound by all the terms hereof, as if they had affixed their hands and seals hereto.

SIXTH.—Holders of stock of the Oregon Company may become parties to this agreement by depositing their stock with The State Trust Company, of New York, and paying the assessment thereon, upon the terms and conditions specified in said plan and in this agreement, on or before a day to be fixed by the General Reorganization Committee, and by such deposit and payment and by the acceptance of certificates of deposit therefor, they will become parties to this agreement and be bound by all the terms hereof, as if they had affixed their hands and seals hereto.

Stockholders of the Oregon Company must, at the time of depositing their stock, pay to the depositary the assessment of six dollars per share mentioned in the plan, and such payment must be receipted for by such depositary on the certificates of deposit issued by it for said stock.

SEVENTH.—The depositing security holders must in all cases deposit with the certificates for their stock or with their bonds or other securities, such transfers, assignments and powers of attorney as may be required by the General Reorganization Committee, in order to vest in said committee, or to enable it to transfer the complete and absolute title to such stock, bonds or other securities; and the depositing security holders respectively agree at any time on demand of said committee to execute any and all transfers, assignments or writings necessary for vesting complete ownership of the bonds, stocks or other securities deposited hereunder in said committee or in its nominees or for the purpose of enabling said committee to carry out said annexed plan of reorganization.

The terms "depositing security holders," "security holders," "stockholders" or "holders" of securities or certificates of deposit, or words equivalent thereto, shall be held to include all persons who have become parties to this agreement either for themselves or as trustees, guardians, or in any other representative or fiduciary capacity.

EIGHTH.—The General Reorganization Committee shall have power to fix or limit the time within which all or any class of security holders may deposit their securities and become parties to this agreement as herein provided, and may, in its discretion, and on such terms and conditions as it may see fit, either generally or in special instances extend or renew the time so fixed or limited.

Notice of the time so fixed or limited and of any general renewal or extension thereof shall be advertised in the manner provided in Article Eighteenth hereof.

Holders of securities not deposited in the manner herein provided within the time so fixed, limited, extended or renewed will not be entitled to deposit the same or become parties to this agreement or share in the benefits thereof and shall acquire no rights thereunder, except by express consent of the General Reorganization Committee and on such terms and conditions as said committee may prescribe.

The depositing security holders shall be entitled to the rights, benefits and advantages specified in this agreement and said annexed plan, and shall be bound by all the provisions thereof.

The Certificates of Deposit and all interests and all rights of depositing security holders thereunder shall be transferable, subject to the terms and conditions of this Agreement, in such manner as the General Reorganization Committee shall approve, and upon such transfer the transferees shall for all purposes be substituted in place of the depositing security holders, subject to this Agreement.

Each Certificate of Deposit may be treated by the Committees and Depositaries as a negotiable instrument, and the holder for the time being shall be deemed to be the absolute owner thereof and of all rights of the depositor of the bond or stock in respect of which the same was issued, and none of the Committees, nor any Depositary, shall be affected by any notice to the contrary.

The new securities to be issued in exchange for the Certificates of Deposit issued by the Depositaries shall,

when ready for delivery, be transmitted by the General Reorganization Committee to said Depositaries respectively, to be delivered to the holders of the Certificates of Deposit upon surrender and cancellation thereof.

The expense of insurance and transmission of the new securities to such depositaries, and the usual stamp duties required by law in Germany on the new securities, shall be payable as part of the expenses of reorganization.

All securities shall be deposited and cash assessments be paid, subject to the terms of this Agreement, and the respective Depositaries by whom the securities and assessments shall have been received shall respectively deliver all such securities, and pay over such assessments received by them upon the order of the General Reorganization Committee.

NINTH.—This Agreement shall not be construed to create any trust, liability or obligation to or in favor of any person or corporation, except the respective Committees and Depositaries and the holders, from time to time, of the Certificates of Deposit issued by the Depositaries in accordance with this Agreement.

The bonds deposited under this Agreement and all receivers' certificates, coupons and claims, purchased or otherwise acquired under this Agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied or discharged by the delivery to the depositing security holders of new securities in respect thereof, and no legal right or lien shall be deemed released, waived or surrendered, but said bonds and other claims, and any deficiency judgment obtained in respect of any of said deposited bonds, and any judgment upon any of said claims, may be enforced by the General Reorganization Committee, or its assigns, until paid in full.

TENTH.—The depositing security holders respectively agree that the legal title to all the bonds, stocks or other securities deposited hereunder, shall vest in the General Reorganization Committee hereunder, and that said Com-



mittee shall have and exercise with respect thereto all the rights and powers of absolute ownership, and may transfer the same or any part thereof into the names of said Committee or of any trust company or person or persons whom said Committee may select. Said Committee shall be entitled, as holder of all or any of said securities, to call and to attend and vote at any meeting or meetings of Stockholders or Bondholders in person, or by its proxy or agent; to declare due the principal of any of said bonds or obligations and to revoke such declaration; to exercise every other power conferred upon the holders of such bonds by the terms thereof, or by the respective mortgages securing the same, or otherwise; to institute or become parties to any legal proceedings which any of such security holders could institute or become parties to, and to become parties to and exercise control over all legal proceedings now pending, including the right to apply for Receivers, or for the removal of Receivers and the substitution of other Receivers, and for the termination of any receivership; to enter into any settlement of any litigation, now or at any time hereafter threatened or pending, upon such terms as the Committee may deem advisable; to purchase or otherwise acquire, or contract for the purchase or satisfaction of any liens upon any part of said railroads or property, or claims against either of said railway companies, or the Receivers of the property thereof; to compromise or settle with secured or unsecured creditors or other security holders, or any Committee representing them, or to take any action or proceeding which the Committee may, in its discretion, deem proper for the purpose of obtaining, securing, or perfecting the title, ownership and possession of the railroads or other property of said companies mentioned in the plan, or any part thereof, of whatsoever nature, and wheresoever situated, or for the purpose of expediting the reorganization or avoiding litigation, to incur all necessary expenses, and in general to do every act which, in the opinion of said Committee, may be judicious or advisable for the purpose of carrying out said Plan of Reorganization; it being

hereby expressly declared that the specification of particular powers herein shall not be construed as limiting the general powers hereby granted, and that the exercise of the powers by this Agreement conferred upon the Committee shall be entirely discretionary with it.

ELEVENTH.—The General Reorganization Committee shall be authorized in its discretion to bid at any foreclosure or other sale for all or any of the property of the Oregon Company or of any of the other companies mentioned in the Plan or of any company, the whole or any part of whose bonds or stock are covered by the mortgages of the Oregon Company, and to purchase or cause to be purchased any such property at any price which said Committee may, in its judgment, deem advisable. Said Committee shall also have power, in its discretion, at or before or after any such sale, to arrange and agree for a re-sale of any portion of the property purchased; to make any such purchase in the name of any person or corporation by it chosen for that purpose; to apply the deposited securities or any of them, as far as may be, in satisfaction of any bid, or towards obtaining funds for the payment of the purchase price of any property purchased; to procure the incorporation of a new railroad company or new railroad companies, under the laws of the State of Oregon, or any other State or States and to transfer the railroads and property purchased, or any part thereof, and any of the deposited securities, to such new corporation or corporations, and to make such arrangements and take such steps as said Committee shall deem proper, for the purpose of creating the new securities specified in said Plan and carrying out all the provisions thereof.

TWELFTH.—The General Reorganization Committee shall be authorized to purchase at such prices as said Committee shall see fit, any notes or other indebtedness of the Oregon Company or any of said other companies named in the Plan and any receiver's certificates or obligations

which may be issued or incurred by any Receiver or Receivers of said Oregon Company, or any of said other companies named in the Plan, and may apply, for that purpose, any moneys received by said Committee from the assessment on the stock or which may be otherwise received or raised under the provisions of this Agreement.

Said Committee may borrow money for the purpose of paying any expenses incurred under this Agreement to an amount not exceeding one per cent. on the par amount of each bond or share of stock deposited, and all expenses heretofore or hereafter incurred by any of the Committees shall be a charge upon the deposited securities to an amount not exceeding one per cent. of the par amount thereof. Said Committee may sell or otherwise dispose of upon such terms and conditions and at such prices as it shall deem proper, the new bonds and stock which security holders who do not become parties hereto would have become entitled to receive if they had deposited their securities and complied with the provisions hereof, and said Committee may issue, or cause to be issued, interim receipts or certificates, representing and entitling the holders to receive such new bonds and stocks when issued.

The General Reorganization Committee may make contracts with syndicates, bankers and others to obtain an amount of money equal to the assessment upon the stock of non-assenting or non-paying stockholders, and to entitle such syndicates, bankers or others to receive the new Common and Preferred Stock which such non-assenting or non-paying stockholders would have been entitled to receive if they had assented and paid their assessment, and it may also from time to time make contracts with syndicates, bankers and others to aid in procuring the deposit of securities hereunder, and to obtain by loan, guaranty or by the sale of the new securities to be created or otherwise, on such terms, conditions and rates as said Committee may deem proper, any moneys required to carry out said Plan and this Agreement,

including such sums as it may deem expedient to provide for the uses of the new Company. Present or future members of any of the committees may be pecuniarily interested in any class of securities which may be deposited hereunder, and in matters which are the subject of this agreement, and may make contracts with any of the Committees and be members of any syndicate and share in the profits thereof.

The General Reorganization Committee may, in its discretion, set apart and place in trust with any trust company any part of the new securities to be issued or cash which may be received from sales of such new securities, or otherwise, as it may deem judicious, for the purpose of securing the application thereof for any of the purposes of said Plan and this Agreement.

THIRTEENTH.—The General Reorganization Committee shall be the sole judge when and whether the deposit of a sufficient amount of securities of the Oregon Company shall have been obtained to warrant said Committee in carrying out the Plan or any part thereof.

In case the said Committee, for any reason, shall determine that it has become inexpedient to carry into effect the plan or any amendment thereof as to the Oregon Company, then all the securities deposited by the parties hereto (or like securities of the same issues), or their proceeds, together with the assessments paid, shall be delivered and paid to the holders of the respective certificates of deposit issued for such securities upon surrender of such certificates of deposit to such Depositaries, and payment of a *pro rata* share of the expenses and compensation of all the Committees, and any other expenditures made by the General Reorganization Committee under the powers herein conferred; it being understood that each depositing security holder shall be required to pay a *pro rata* share according to the par amount of his securities.

In any such case, if any sums collected on account of the assessment shall have been applied by the General Re-



organization Committee in the purchase of coupons, receivers' certificates or other claims, then such coupons, receivers' certificates or other claims, or the net proceeds thereof when received, shall be held in lieu of such assessment moneys and be distributed among the respective holders of the reorganization certificates of deposit in lieu of such assessment moneys, as aforesaid.

Such return of deposited securities and assessment moneys shall be made through the respective Depositaries whose certificates of deposit shall be outstanding.

FOURTEENTH.—The General Reorganization Committee may supply any omission or correct any error in the plan or in this agreement, and may modify or depart from any provisions thereof which said Committee shall unanimously deem not to be substantial. In case, however, in the opinion of said Committee, any change or alteration of the plan or of this agreement substantially affecting any class of deposited securities shall be necessary, such amendment shall be made only in the following manner:

A copy of the proposed change or alteration shall be submitted to the Consolidated Mortgage Committee, the Collateral Trust Committee and the Amsterdam Committee, and, when approved of by any two of said Committees, shall be lodged with each of the Depositaries under this agreement, and a notice thereof shall be advertised in the manner specified in Article Eighteenth hereof. Thereupon any holders of certificates of deposit who do not assent to such alteration, may, at any time before a date specified in such advertisement, which date shall be at least thirty days after the first publication of such advertisement, withdraw the securities represented by their certificates of deposit and the assessments paid on the stock and bonds deposited, upon surrendering their reorganization certificates of deposit to the proper depositaries and paying their *pro rata* shares of the expenses and other expenditures and compensation of the Committees incurred up to

the date of such withdrawal. Any interest paid or advanced to holders of certificates of deposit in respect of deposited bonds represented by such certificates or in respect of the new bonds to be issued in exchange therefor under the plan, must, in such case, also be repaid by the holders of such certificates of deposit before the deposited bonds represented by such certificates shall be surrendered in exchange therefor. All holders of certificates of deposit who shall not exercise this right to withdraw their securities within said time shall be deemed to have assented to and adopted such change or alteration and shall be bound thereby, and the General Reorganization Committee shall be fully authorized to carry the same into effect with all the powers provided in this agreement.

Wherever the plan or this agreement is referred to in the plan or in this agreement, it shall be deemed to include any change or alteration thereof so adopted.

FIFTEENTH.—The General Reorganization Committee shall prescribe the terms and provisions of the new securities and other instruments and determine the methods of creating them, including the trust agreement referred to in the annexed plan as to the deposit with a Trustee of the preferred and common stock of the new Company. The first Board of Directors of the new Company shall be named by the General Reorganization Committee.

SIXTEENTH.—Five members of the General Reorganization Committee, present in person or by proxy, shall constitute a quorum, and no action shall be taken without the affirmative consent of five members, and in all cases except where unanimity is prescribed, the action of five members of the said Committee shall be binding, and have the same effect as if assented to by the full Committee. The Committee may adopt its own rules of procedure, and it may employ such counsel, attorneys in fact and agents as it deems necessary, and fix the compensa-

tion for their services, and may make such other expenditures as it shall in good faith deem necessary for the purpose of carrying out the plan and this agreement. It may also procure the performance of any of the matters and things herein provided for by such sub-committees, agents and attorneys as it may, in its discretion, deem proper. It shall keep a record of its proceedings. Any member may, by written appointment, empower any other member of said Committee or any person approved by said Committee to vote and act as his proxy with all the powers of the member making the appointment. Any member may resign, and the Committee may give a full release and discharge to any such member, and to the personal representatives of a deceased member. Successors to members of said Committee whose places shall have become vacant, shall be appointed as follows, viz.: the successors to Alfred S. Heidelberg, William L. Bull, George Coppel, Charles S. Fairchild and Arnold Marcus, respectively, shall be appointed by the Consolidated Mortgage Committee with the approval of the Berlin Committee; the successor to John Crosby Brown shall be appointed by the Collateral Trust Committee; the successor to A. A. H. Boissevain shall be appointed by the Amsterdam Committee, and the successor to Henry R. Reed shall be appointed by the Minority Stockholders' Committee. The General Reorganization Committee may, by a unanimous vote of all its members, add to its number, in which case the number of members required to constitute a quorum may also be increased. All title, rights and powers vested in the Committee hereunder shall, from time to time, vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever.

SEVENTEENTH.—The General Reorganization Committee undertakes in good faith to endeavor to carry out said Plan and this Agreement, but neither the members of said Committee, nor the members of any of the other Commit-

tees, assume any personal responsibility for the execution thereof. No member of said Committee or of any of the other Committees shall be liable in any case for the acts of the other members or of the other Committees or of any Depositary, nor for the acts of their agents, subcommittees or employees; nor shall they be personally liable for any error of judgment or mistake of law, but each shall be liable only for his willful misfeasance. No Depositary shall be liable for the acts of any of the Committees or of any other Depositary hereunder, or of any agents of any Depositary.

The members of the General Reorganization Committee and of the other Committees, respectively, shall be entitled to receive reasonable compensation for their services, and such compensation with the reasonable expenses of said Committees, respectively, shall be paid by the General Reorganization Committee as part of the expenses of reorganization, the amounts of such compensation and expenses being first approved of by at least five members of the General Reorganization Committee. The accounts of the General Reorganization Committee shall be filed with the Board of Directors of the new Company, and, when audited by said Board of Directors, shall be binding and conclusive on all parties, and the Committee shall be thereby discharged, turning over to the new Company any balance in the hands of the Committee.

EIGHTEENTH.--All calls for the deposit of bonds and stocks, the payment of assessments and for the surrender of certificates, and all other notices hereunder, or under the Plan, or under any agreement contemplated herein shall, except when otherwise provided by the General Reorganization Committee be advertised at least twice a week for two successive weeks in two daily newspapers published in the City of New York, and in two daily newspapers published in the City of Boston. When so published the notice shall be taken and considered as personally served upon all the depositing security holders and holders of



Certificates of Deposit, as of the respective dates of each insertion thereof, and such notice shall be the only notice required to be given under any provision of this Agreement or of the Plan or of the various agreements herein contemplated. Any Committee may, however, in its discretion cause such further and additional notice to be given as it may deem proper.

NINETEENTH.—The Committees and Depositaries do not guarantee the genuineness of any bond or stock certificate in respect of which a Certificate of Deposit is issued, and in case the genuineness of such Bond or Stock Certificate is disputed or doubtful, they respectively reserve to themselves the right to call in any such certificate upon returning to the holder of such certificate the Bond or Stock Certificate deposited in respect thereof.

TWENTIETH.—The said Consolidated Mortgage Committee and the said Collateral Trust Committee and each of them hereby agree that they will respectively take such action under the said Agreement of the 30th day of April, 1894, and the said Agreement of the 12th day of July, 1894 as may from time to time be directed by the General Reorganization Committee, and will during the continuance of this agreement take no action not previously approved by the General Reorganization Committee; and the said Consolidated Mortgage Committee, and the said Collateral Trust Committee, by a majority of their members, shall respectively sign and deliver to the General Reorganization Committee a copy of this agreement, and shall receive a copy thereof signed by the General Reorganization Committee in testimony of their mutual obligations hereunder.

It is agreed that any of the provisions of this Agreement applicable to any of the Committees or relating to any of their respective powers or proceedings hereunder, may be altered at any time by agreement among the several Committees.

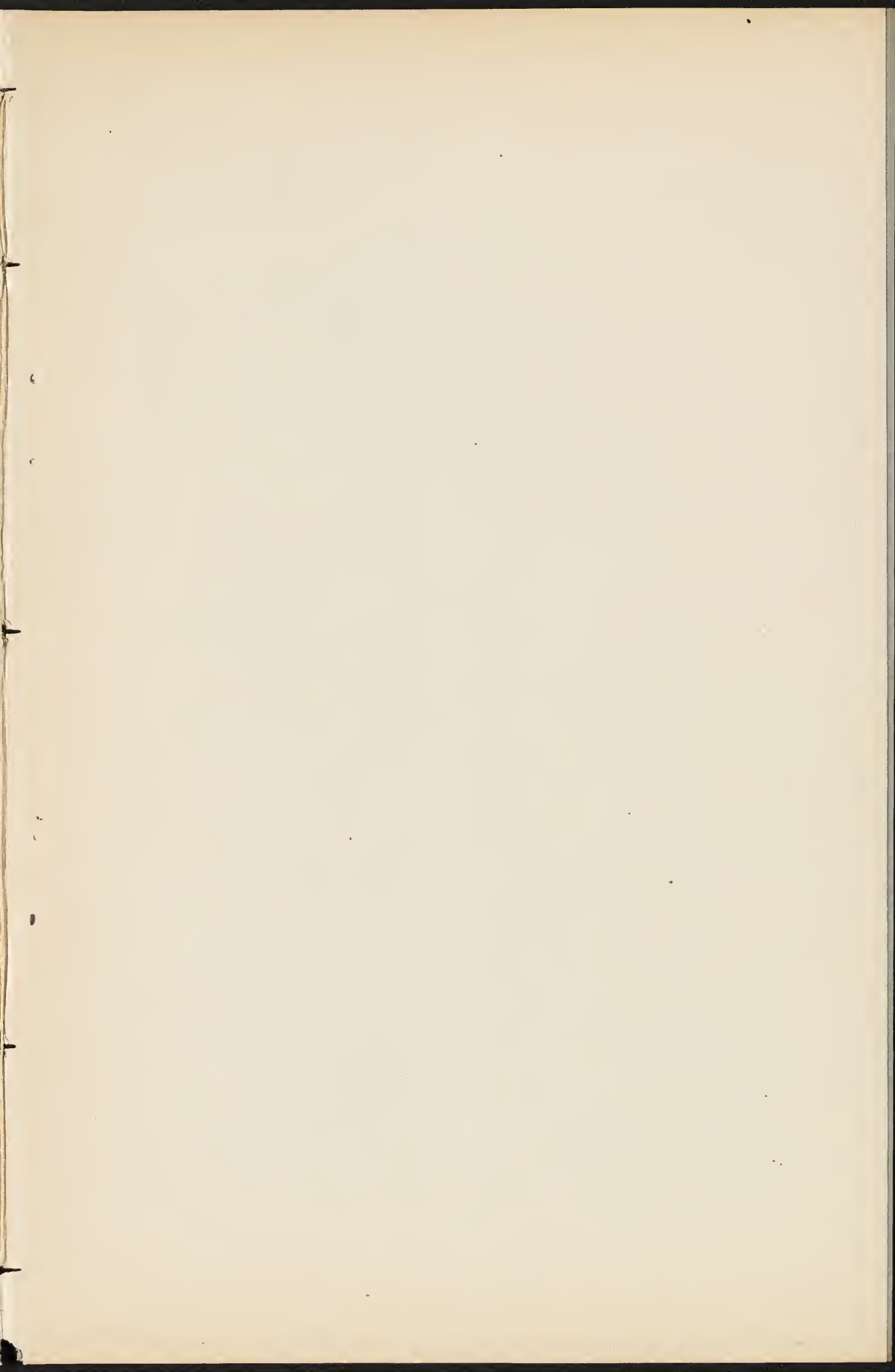
TWENTY-FIRST.—This Agreement shall bind the respective Committees and respective Depositaries and depositing security holders and their and each of their successors, heirs, executors, administrators and assigns.

IN WITNESS WHEREOF the General Reorganization Committee has caused this Agreement to be signed and the parties of the second part have deposited their securities as above set forth.

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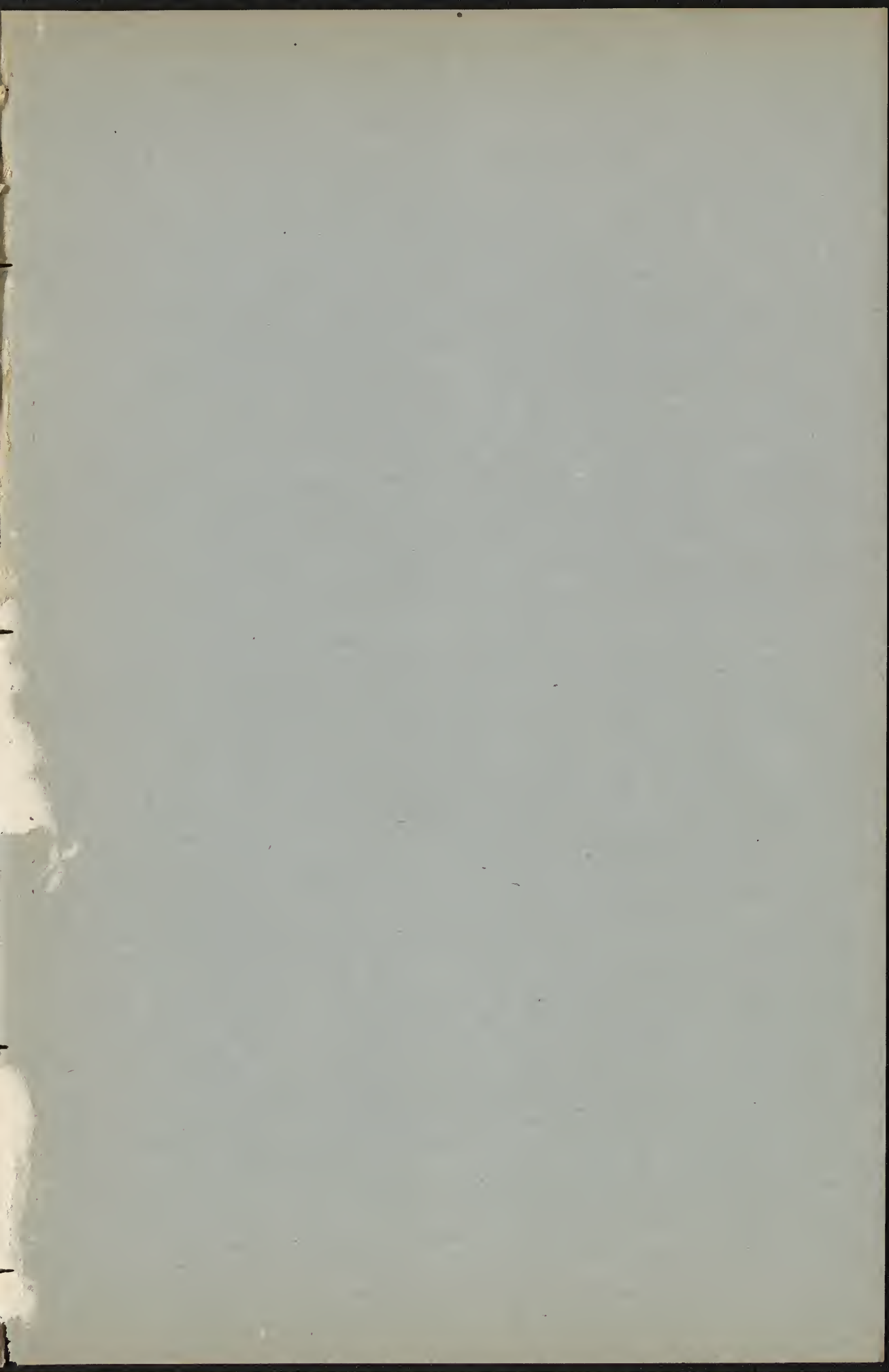
[The above is a copy of the Plan and Agreement for the Reorganization of the Oregon Railway and Navigation Company's System, dated September 6, 1895, as amended February 5, 1896].













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**PLAN AND AGREEMENT FOR THE REORGANIZATION**

**OF THE**

**OREGON SHORT LINE & UTAH NORTHERN**

**RAILWAY COMPANY.**

**DATED FEBRUARY 20, 1896.**

SAMUEL CARR,  
ALEXANDER E. ORR,  
WALTER G. OAKMAN,  
NATHANIEL THAYER,  
GORDON ABBOTT,  
GARDINER M. LANE,  
A. A. H. BOISSEVAIN,  
GEORGE P. BUTLER,

} *Committee.*

SAMUEL CARR,  
*Chairman,*  
Ames Building, Boston.

HENRY G. NICHOLS,  
*Counsel,*  
40 Water St., Boston.

GEORGE P. BUTLER,  
*Secretary,*  
54 Wall St., New York.

**DEPOSITARIES:**

	Boston.	New York.
Consolidated 5% Bonds	- AMERICAN LOAN & TRUST CO.	GUARANTY TRUST CO. OF NEW YORK.
Utah Southern Bonds, }	- OLD COLONY TRUST CO.	MERCANTILE TRUST CO.
all issues - }	- AMERICAN LOAN & TRUST CO.	GUARANTY TRUST CO. OF NEW YORK.
Collateral Trust Bonds	- OLD COLONY TRUST CO.	MANHATTAN TRUST CO.
Stock - - - -		





*To the Holders of Securities of the Oregon Short  
Line and Utah Northern Railway System :*

In accordance with the request of many holders of the securities of the Oregon Short Line and Utah Northern Railway System, the undersigned have formulated a plan for the reorganization of that System, and beg leave to present such plan herewith.

The details of the Plan will be seen by reference thereto and to the Agreement, both of which are annexed hereto; but briefly stated it is proposed to create a new corporation to be called the Oregon Short Line Railroad Co., which shall acquire through foreclosure proceedings or otherwise, in the discretion of the Committee, all or some of the properties now constituting the Oregon Short Line System, and will issue new securities upon the terms of the Plan.

It is not proposed to disturb the following underlying Divisional Mortgages, so-called, amounting to \$21,755,000, viz. :

Oregon Short Line Railway Co. 1st Mortgage	
6% Bonds, amounting to .....	\$14,931,000
Utah & Northern Railway Co. 1st Mortgage 7%	
Bonds, amounting to .....	4,993,000
Utah & Northern Railway Co. Consolidated	
Mortgage 5% Bonds, amounting to .....	1,831,000

but new securities will be reserved to provide for those mortgages at their respective maturities.

The new bonds will be a first mortgage upon all the property not covered by the above-mentioned Divisional Mortgages, *i. e.*, upon about 400 miles.

The total annual fixed charges of the New Company will be \$1,853,270, as against present fixed charges of \$2,788,575, the new mortgage indebtedness, including the said Divisional Mortgages, being substantially \$25,000 per mile.

As will be seen by reference to the plan, the average annual income of the System between the years 1889 and 1894 inclusive, exceeded the amount necessary for the fixed charges of the proposed new Company by an amount more than sufficient to pay the interest upon the new "A" Income Bonds, and the actual net earnings of the year 1895 are more than enough to pay such interest in addition to fixed charges. It is believed, therefore, that by co-operation of the security holders in the proposed Plan their interests can be protected and made very valuable.

In view of the many complications affecting the lines belonging to this System, prompt action is of the utmost importance, and for this reason the time within which securities can be deposited has been limited to April 15, 1896, after which date no securities will be admitted, except in the discretion of the Committee and upon such terms as to penalty as the Committee may prescribe.

Depositors of stock will be required to pay an assessment of twelve per cent. (12%) on par value, as follows: three dollars (\$3.00) for each share of stock at the time of deposit; the balance upon call of the Committee, but in amounts not exceeding three dollars (\$3.00) for each share of stock deposited, and at intervals of not less than thirty days.

Deposits may be made with the designated Depositaries on and after March 14, 1896.

Temporary receipts will be issued for securities deposited, to be exchanged for engraved certificates of deposit when the latter shall be ready, and application will be made for the listing of the engraved certificates upon the New York and the Boston Stock Exchange as soon as practicable.

The Agreement provides that holders of receipts or certificates of deposit issued by or on behalf of any Bondholders'

Committee for securities receivable hereunder may deposit such receipts or certificates in lieu of the securities represented thereby, and such holders should promptly deposit their receipts or certificates with this Committee.

A Guarantee Syndicate has underwritten the assessment on the stock.

Boston, February 20, 1896.

SAMUEL CARR,	} Committee.
ALEXANDER E. ORR,	
WALTER G. OAKMAN,	
NATHANIEL THAYER,	
GORDON ABBOTT,	
GARDINER M. LANE,	
A. A. H. BOISSEVAIN,	
GEORGE P. BUTLER,	





**Oregon Short Line**  
**AND**  
**Utah Northern Railway Company.**

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**I.**

**STATEMENT OF MILEAGE, FUNDED  
 DEBT, CAPITALIZATION, FIXED  
 CHARGES AND INCOME.**

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The Oregon Short Line & Utah Northern Railway Company  
 owns the following lines of Railway :

<b>Standard Gauge.</b>		<b>MILES.</b>
The Oregon Short Line—Granger, Wyoming, to Huntington, Oregon, with branch, Shoshone, Idaho, to Ketchum, Idaho.....		600.36
The Idaho Central—Nampa, Idaho, to a point near Boise City, Idaho.....		16.42
The Utah & Northern—Ogden, Utah, to Butte and Garrison, Montana, with branch, Cache Junc- tion, Utah, to Preston, Idaho.....		477.81
The Utah Central—Ogden, Utah, to Salt Lake City, Utah.....		36.34
The Ogden & Syracuse—Syracuse Junction, Utah, to Syracuse, Utah.....		5.85

The Utah Southern—Salt Lake City, Utah, to Juab, Utah .....	102.35
The Utah Southern Extension—Juab, Utah, to Frisco, Utah .....	137.24
The Salt Lake & Western—Lehigh Junction, Utah, to Tintic, Utah, with branches, Mammoth Junction, Utah, to Eureka, Utah, and Ironton, Utah, to Northern Spy, Utah .....	63.57
Total standard gauge .....	<u>1,439.94</u>

#### Narrow Gauge.

The Utah & Nevada—Salt Lake City, Utah, to Terminus, Utah, with branch, Saltair Junction, Utah, to Great Salt Lake, Utah .....	39.74
Total standard and narrow gauge .....	<u><u>1,479.68</u></u>

## Present Capitalization of the Oregon Short Line and Utah Northern Railway Company.

### Funded Debt.

	<i>Due.</i>	<i>Rate.</i>	<i>Outstanding.</i>
Oregon Short Line Railway Co.			
First Mortgage Bonds.....	Feb. 1, 1922	6%	\$14,931,000 00
Utah & Northern Railway Co.			
First Mortgage Bonds.....	July 1, 1908	7%	4,993,000 00
Consolidated Mortgage Bonds. ....	July 1, 1926	5%	1,831,000 00
Equipment Trust Bonds..	1-3rd each		
	year to		
	April 1, 1897	5%	107,000 00
Idaho Central Railway Co.			
First Mortgage Bonds.....	Jan. 1, 1917	6%	131,000 00
Utah Southern Railroad Co.			
First Mortgage Bonds [overdue]....	July 1, 1891	7%	424,000 00
General Mortgage Bonds.....	July 1, 1909	7%	1,526,000 00
Utah Southern Railroad Extension			
[Co.].			
First Mortgage Bonds.....	July 1, 1909	7%	1,950,000 00
Utah Central Railway Co.			
First Mortgage Bonds [overdue]....	Jan. 1, 1890	6%	7,000 00
Oregon Short Line & Utah Northern			
Railway Co.			
Consolidated First Mortgage Bonds	April 1, 1919	5%	10,894,000 00
Collateral Trust Bonds.....	Sept. 1, 1919	5%	13,000,000 00
Total.....			<u>\$49,794,000 00</u>

### Capital Stock.

The outstanding capital stock of the Oregon Short Line and Utah Northern Railway Company, in shares of \$100 each, is .....	\$26,180,200 00
Total capitalization.....	<u>\$75,974,200 00</u>

### Fixed Charges.

Oregon Short Line First Mortgage 6s.....	\$895,860 00
Utah & Northern First Mortgage 7s .....	349,510 00
Utah & Northern Consolidated Mortgage 5s.....	91,550 00
Utah & Northern Equipment Trust 5s.....	5,787 53
Idaho Central First Mortgage 6s.....	7,860 00
Utah Southern General Mortgage 7s.....	106,820 00
Utah Southern Extension Mortgage 7s .....	136,500 00
Oregon Short Line & Utah Northern Consolidated Mortgage 5s	544,687 47
Oregon Short Line & Utah Northern Collateral Trust 5s.....	650,000 00
	<u>\$2,788,575 00</u>
Fixed charges of proposed new Company.....	<u>\$1,853,270 00</u>



**Statement Showing the Surplus Earnings, Taxes  
Deducted, for the Years 1889, 1890, 1891, 1892,  
1893 and 1894, Not Including the Dividends  
Received on the Stock of the Oregon Railway &  
Navigation Co.**

Year ending December 31.	Gross Earnings.	Operating Expenses.	Taxes.	Surplus Earnings, Taxes Deducted.
1889	\$6,512,344 82	\$3,700,864 08	\$182,815 90	\$2,628,664 84
1890	7,488,030 68	4,965,730 14	188,253 86	2,334,046 68
1891	7,574,456 52	4,574,151 21	216,391 15	2,783,914 16
1892	7,201,199 51	4,298,650 67	232,426 81	2,670,122 03
1893	5,861,634 50	3,562,145 52	221,094 11	2,078,394 87
1894	5,046,682 32	3,673,706 90	221,528 03	1,151,447 39
				\$13,646,589 97
Average surplus earnings from operation 1889-1894, in- clusive.....				2,274,431 66
Average income from miscellaneous sources.....				100,000 00
Average annual net income from all sources 1889-1894				\$2,374,431 66

Actual net income from all sources for year ending  
December 31st, 1895..... \$2,273,164 14

## II.

## PLAN OF REORGANIZATION.

## SCHEDULE A.

## Capitalization of New Company.

Underlying Divisional Mortgages to remain Undisturbed, \$21,755,000.

Oregon Short Line 1st 6% Mtge., due February 1, 1922.....	\$14,931,000
Utah & Northern 1st 7% Mtge., due July 1, 1908 .....	4,993,000
Utah & Northern Consd. 5% Mtge., due July 1, 1926.....	1,831,000
Total underlying mortgages.....	\$21,755,000

Consolidated First Mortgage 5% Gold Bonds due 1946. Authorized Issue, including reserve, \$36,500,000.

This mortgage will be a *first mortgage* on all lines south of Ogden, Utah, and on the Idaho Central (or on total of about 400 miles), and a lien junior only to the above-mentioned divisional mortgages on all lines of the Oregon Short Line and Utah Northern Railway Company.

Bonds to be issued at once .....	\$10,327,000
Bonds to be reserved.....	\$2,001,000
Bonds reserved to provide for divisional mortgages .....	\$24,172,000

Non-cumulative Income Bonds, Series "A." Authorized Issue \$7,185,000.

To be issued at once.....	\$7,185,000
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The "A" income bonds are to receive interest, if earned, at the rate of 5% per annum (non-cumulative) before any interest is paid on the "B" bonds.

Non-cumulative Income Bonds, Series "B." Authorized issue \$15,000,000.

To be issued at once.....	\$14,841,000
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The "B" bonds are to receive interest, if earned, non-cumulative at the rate of 3% per annum for the first three years and thereafter 4% per annum.

That portion of the common stock of the reorganized Oregon Railway and Navigation Co. acquired or to be acquired in the interest of this Plan is to be put in trust during the life of the "B" bonds as special security for the holders of those bonds.

The trust deed under which said stock is to be held in trust as security for said "B" Income Bonds will provide:

(1) That the holders of the "B" Income Bonds shall be entitled to a permanent representation of two directors on the Board of the new company during the life of such bonds.

(2) That no lease or contract equivalent to a lease of the property of the new company shall be made without the consent of a majority in interest of the "B" Income Bonds, unless as a condition of such lease the interest on such bonds is guaranteed as a fixed charge during the term of such lease.

(3) That no lien shall be created by the newly reorganized Company ahead of the "A" and "B" Income Bonds other than those provided in this Plan, and of amount provided in this Plan, unless with the consent of a majority in interest of the holders of "A" and "B" Income Bonds respectively present at a meeting called in the manner provided in said Trust Deed.

The dividends paid on the said stock of the Oregon Railway and Navigation Co. shall go to the Oregon Short Line Railroad Co. except such amounts as shall be necessary to pay the interest on the "B" income bonds in case the earnings of the Oregon Short Line Railroad Co. applicable to payment of such interest on the "B" bonds are insufficient.

#### Common Stock.

Authorized issue \$27,460,100.

To be issued at once..... \$27,460,100

**SCHEDULE B.****Distribution of Securities of the New Oregon  
Short Line Railroad Company.****(1) Underlying Divisional Mortgages to Remain  
Undisturbed.**

Oregon Short Line First 6 % Mortgage.....	\$14,931,000
Utah & Northern First 7 % Mortgage.....	4,993,000
Utah & Northern Consolidated 5 % Mortgage---	1,831,000
Total underlying Mortgage.....	<u>\$21,755,000</u>

**(2) Consolidated First Mortgage 5% Gold Bonds,  
due 1946.**

*Authorized Issue, including reserve, \$36,500,000.*

Reserve for retiring at maturity \$21,755,000 of  
underlying divisional bonds..... \$24,172,000

To holders of \$1,526,000 Utah Southern General  
Mtge. 7's.

To holders of \$1,950,000 Utah Southern Exten-  
sion 1st mtge. 7's.

To holders of \$10,894,000 O. S. L. & Utah North-  
ern Cons. 5's.

50% of \$14,370,000..... 7,185,000

To holders of \$26,180,200 O. S. L. & Utah Nor-  
thern Common Stock, for payment of 12%  
assessment..... 3,142,000

To be reserved for future issue ..... 2,001,000

\$36,500,000



**(3) 5% Non-cumulative Income Bonds, Series "A."***Authorized Issue, \$7,185,000.*

To holders of \$1,526,000 Utah Southern General Mtge. 7s.	
" " " 1,950,000 Utah Southern Extension 1st mtge. 7s.	
" " " 10,894,000 O. S. L. & Utah Northern Cons. 5s.	
50% of \$14,370,000 .....	\$7,185,000

**(4) Non-cumulative Income Bonds, Series "B."***Authorized Issue, \$15,000,000.*

For purpose of acquiring Oregon Railway and Navigation Co. stock under arrangement with holders of \$13,000,000 of O. S. L. & Utah Nor- thern Collateral Trust bonds.....	\$14,841,000
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**(5) Common Stock.***Authorized Issue, \$27,460,100.*

To holders of \$1,526,000 Utah Southern General Mtge. 7s.	
" " " 1,950,000 Utah Southern Extension 1st mtge. 7s.	
" " " 10,894,000 O. S. L. & Utah Northern Cons. 5s.	
\$14,370,000 at par.....	\$14,370,000
To holders of \$26,180,200 O. S. L. & Utah Northern Common Stock, deposited under this plan, 50% of par.....	13,090,100
	<u>\$27,460,100</u>

An assessment of \$12 per share on the stock deposited hereunder will be payable as follows: \$3.00 per share of stock at the time of deposit under plan; the balance upon call of the Committee, but not exceeding \$3.00 for each share of stock deposited at intervals of not less than thirty days.

### SCHEDULE C.

#### Treatment of Securities of Old Company.

Oregon Short Line First 6% mtge.	\$14,931,000	} To remain undisturbed.
Utah & Northern First 7% mtge.---	4,993,000	
Utah & Northern Consd. 5% mtge.	1,831,000	

Total mortgages undisturbed \$21,755,000

Utah Southern General 7% Mortgage-----	\$1,526,000	} To receive for prin- cipal 50% in 5% Con- solidated Bonds of the new company, and 50% in 5% Income Bonds, Series "A," and for overdue in- terest, 100% in New Common Stock.
Utah Southern Extension 1st 7% Mortgage-----	1,950,000	
Oregon Short Line & Ut. Nor. 1st Consolidated 5% Mortgage-----	10,894,000	
	<u>\$14,370,000</u>	

#### Summary.

\$1,000 of Utah Southern Gen. Mtg. bonds-----	} To receive in new 5% Consoli- dated Bonds-- \$500
or	
\$1,000 of Utah Southern Ext. 1st Mtg. bonds-----	} In Income Bonds Series "A"-- 500
or	
\$1,000 of O. S. L. & Utah Northern Con. Mtg. bonds-----	In Stock-----1,000
	<u>\$2,000</u>

Holders of Oregon Short Line and Utah Northern Collateral Trust Bonds (\$13,000,000) having an interest in Oregon Railway & Navigation stock are to receive for their said bonds and their Oregon Railway and Navigation Stock, Income Bonds Series "B" to amount of the par value of the principal of said bonds.

Holders of Oregon Short Line and Utah Northern stock (\$26,180,200) are to receive 50% of the par value of their old stock in new common stock, and for payment of twelve per

cent. (12%) assessment, twelve per cent. (12%) in new consolidated five per cent. (5%) bonds.

Interest on all the new issues of bonds will run from July 1, 1896.

### **SCHEDULE D.**

#### **Fixed Charges & Dividends.**

FOR YEAR 1896.

##### **(1) Underlying Divisional Bonds.**

	Annual Interest.
Oregon Short Line 1st 6% Mtge. \$14,931,000 at 6% .....	\$895,860
Utah & Northern 1st 7% Mtge. \$4,993,000 at 7%.	349,510
Utah & Northern Consolidated 5% Mtge. \$1,831,000 at 5% .....	91,550
Total annual interest on underlying bonds .....	\$1,336,920

##### **(2) New Consolidated 5% Bonds.**

To be issued at once as per Schedule B .....	\$10,327,000 at 5%	516,350
Total annual fixed charges .....		\$1,853,270
Fixed charges of present company ...	\$2,788,575	

##### **(3) "A" Income Bonds.**

\$7,185,000 .....	at 5%	359,250
Total fixed charges and interest ahead of "B" income bonds .....		\$2,212,520

## (4) "B" Income Bonds.

\$14,841,000-----	at 3%	445,230
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Total fixed charges and interest ahead of common stock (for three years from July 1, 1896) -----		\$2,657,750
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Total actual net income from all sources, Jan. 1- Dec. 31, '95-----		\$2,273,164 14
Average annual net income, 1889-1894, inclusive-----		\$2,374,431 66

**SCHEDULE E.****Estimated Cash Requirements as of January 1,  
1896.****Interest on Bonds.***Bonds to receive interest in full.*

Oregon Short Line 6's \$14,931,000—11 Mos. ....	\$821,205
Utah & Northern 7's \$4,993,000—6 Mos. ....	174,755
Utah & Northern 5's \$1,831,000—1 yr. & 6 Mos. ...	137,325
	<u>\$1,133,285</u>

Payment of assessment on O. R. & N. stock, about	\$1,000,000
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*Miscellaneous Requirements.*

For prior liens, equipment, claims-----	\$1,050,000
For immediate betterments and for general pur- poses of reorganization -----	1,518,339
Total cash requirements-----	<u>\$4,701,624</u>



*Available Cash.*

Estimated cash in Receiver's hands Jan. 1, 1896.	\$1,560,000
Cash from assessment:	
\$26,180,200 at 12% .....	3,141,624
Total cash available .....	<u>\$4,701,624</u>

All securities must be deposited under the plan at the following depositaries on or before April 15, 1896:

	<i>Boston.</i>	<i>New York.</i>
<i>Consolidated 5% Bonds</i> .....	American Loan & Trust Co.	Guaranty Trust Co. of New York.
<i>Utah Southern Bonds, all issues</i> .....	Old Colony Trust Co.	Mercantile Trust Co.
<i>Collateral Trust Bonds</i> .....	American Loan & Trust Co.	Guaranty Trust Co. of New York.
<i>Stock</i> .....	Old Colony Trust Co.	Manhattan Trust Co.

## AGREEMENT.

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**An Agreement**, made this twentieth day of February, between SAMUEL CARR, ALEXANDER E. ORR, WALTER G. OAKMAN, NATHANIEL THAYER, GORDON ABBOTT, GARDINER M. LANE, A. A. H. BOISSEVAIN and GEORGE P. BUTLER, parties of the first part, and hereinafter called the "Committee," and holders of such bonds and stock of the Oregon Short Line and Utah Northern Railway Company, or of any of the other companies mentioned in the annexed plan, who shall become parties to this agreement, hereinafter called "Depositors," parties of the second part.

WHEREAS, the parties of the first part have been and hereby are constituted a Committee for the reorganization of the affairs of the Oregon Short Line & Utah Northern Railway Company, and of the other companies mentioned in said plan which has been formulated by them for such reorganization ;

**Now, this agreement witnesseth :** That the depositors severally, but not jointly nor one for the other or any of the others, hereby covenant and agree with the Committee and with each other, and the Committee covenants and agrees with the Depositors and each of them, as follows :

FIRST. The accompanying plan is and shall be taken to be and construed as a part of this agreement as fully as if the provisions thereof were actually inserted herein ; but it is expressly

agreed that no estimate, statement, explanation or suggestion in said plan or in the circular accompanying the same shall operate or shall be construed to operate as a representation or warranty, or shall be a condition of the deposit of securities hereunder, nor shall any error therein release any Depositor unless with the written consent of the Committee.

At least one printed copy of this agreement, certified to be a true copy by a majority of the Committee, shall be deposited with each depositary mentioned in said plan, which copies, as well as any other copy certified as aforesaid, shall be considered as the original agreement and may be signed by Depositors as such.

SECOND. Holders of securities receivable hereunder may become parties to this agreement by depositing their securities and paying the assessments, if any, thereon, upon the terms and conditions set forth and within the times limited in said plan and in this agreement, and by such deposit and payment and by the acceptance of receipts or certificates of deposit therefor, they will become parties to this agreement and be bound by all the terms thereof as if they had affixed their hands and seals hereto.

Depositors shall be entitled to receipts or certificates of deposit in such form as the Committee shall approve, and the rights of Depositors in respect of such deposits shall be such, and such only, as are evidenced by such receipts or certificates, and the holder of any such receipt or certificate, or of any certificate or receipt issued in lieu thereof, shall be subject to this agreement and entitled to have and exercise the rights of the original Depositor under the receipt or certificate issued to him in respect of the securities therein mentioned.

The said receipts and certificates of deposit issued hereunder may be treated by the Committee and by the depositaries as negotiable instruments, and the holder for the time being may be deemed to be the absolute owner thereof, and of

all the rights and interests represented thereby, nor shall the Committee or said depositaries be affected by any notice to the contrary.

But said receipts and certificates, and the rights and interests therein, and in the securities represented thereby, and of the holders thereof, shall be transferable only in such manner as the Committee shall approve, and subject to the terms of this agreement, and by accepting any such receipt or certificate every recipient or holder thereof shall thereby become a party to this agreement and be bound by the terms hereof as fully and with like effect as though an actual subscriber hereto under seal.

The term "Depositors," wherever used in this agreement, shall be construed to include all such transferees of receipts and certificates as well as the original holders thereof.

The Committee shall have power to fix or limit the time within which all or any class of securities may be deposited hereunder, and may in its discretion, and upon such terms and conditions as it sees fit, either generally or in special instances, extend or renew the time or times so fixed or limited.

Holders of securities not deposited in the manner herein provided within the times so fixed, limited, extended or renewed, will not be entitled to deposit the same or become parties to this agreement or share in the benefits thereof, and shall acquire no rights hereunder, except by express consent of the Committee and on such terms and conditions as the Committee may prescribe.

Depositors of securities who shall neglect or fail to pay their assessments, or any installments thereof within such time as shall be fixed or limited by the Committee, shall cease to be entitled to any benefit hereunder or to any right or claim in, to or upon the securities deposited or assessments paid, and shall absolutely forfeit, without right of redemption, their securities, together with any part of the assessments paid thereon, and the Committee may sell such forfeited securities, or the new



securities which may be issued in respect thereof, to any purchaser or purchasers paying such amount as the Committee may determine, and the proceeds thereof may be used for any of the requirements of carrying out said plan and as a reserve for the uses of the new company.

The Committee may, however, in its discretion on such terms as it shall see fit, waive any such forfeiture or failure to pay the assessments within the time limited.

The Committee may allow holders of receipts or certificates issued by any Bondholders' Committee or Depositary for any securities receivable under this agreement, to deposit such receipts instead of the securities represented thereby, and in that case such depositors shall be embraced in the term "Depositors" whenever used in this agreement, and the securities represented by the receipts or certificates so deposited shall be treated as deposited hereunder.

THIRD. Depositors hereunder hereby request the Committee to endeavor to carry into practical operation substantially said plan, wholly or in part, to such extent and in such manner and with such additions, exceptions, alterations and modifications as the Committee shall deem for the best interests of the Depositors, and for this purpose and in order that the Committee may have an absolute title to all the securities deposited hereunder, each and every Depositor for himself and not for any other Depositor does hereby sell, assign, transfer and set over to the Committee and to the surviving members and member of the Committee, and to their successors, as a Committee, each and every bond, share of stock, security or obligation or evidence thereof deposited hereunder, and does hereby agree that the Committee shall be and hereby is vested with all the power and authority of owners of the same with full right to transfer the same or any part or parts thereof into its own name, as a Committee, or the name of any other person or persons whom the Committee may select; and does further agree

upon making deposit or deposits hereunder, or at any time or times thereafter upon request of the Committee, to execute and acknowledge and deliver to the Committee such transfers, assignments, powers of attorney or other instruments or writings as may in the judgment of the Committee be necessary or proper to vest such absolute title in the Committee or to enable it to carry out said plan in the manner aforesaid.

And said Committee shall have and exercise, in its discretion, all the rights and powers of the several owners or holders of the securities deposited hereunder, including the power of voting in person or by proxy at any meetings of stockholders, bondholders or creditors of any and all of the corporations, the securities of which are receivable hereunder, and shall have full power to take such measures and do such acts as the Committee may deem proper to carry out said plan, or any part thereof, and to modify and change the same in its discretion, and to do any other acts, and to dispose of the securities deposited hereunder as fully as if such securities were its own property, in any manner and for any purpose which it shall deem for the advantage of the Depositors ; it being expressly understood that it is the intention of the parties hereto that said Committee shall have, and it is hereby given, any and all powers necessary or expedient, or which they may deem necessary or expedient, in or towards or for carrying out or promoting the purposes of this agreement in any respect, even though any such power be apparently of a character not now contemplated ; and the Committee may exercise any and every such power, whether herein enumerated or not, as fully and effectively as if the same were herein distinctly specified, and as often as for any cause or reason it may deem expedient, it being further understood and agreed that the methods to be adopted for or towards or in carrying out this agreement shall be entirely discretionary with the Committee.

FOURTH. All securities deposited with and moneys paid to the depositaries, or any of them, under or with reference to

said plan or this agreement, shall be delivered and paid over respectively to or upon the order of the Committee, to be disposed of by the Committee in its sole discretion for such purposes of the said plan as it may see fit.

FIFTH. The Committee shall have absolute discretion in the use, disposition and distribution of all the securities of the new company which are specified in the plan as reserved for purposes therein stated, and which are in excess of the securities there embraced in the defined issues for reorganization purposes, and it may use, dispose of, distribute or apportion any of such reserved securities of the new company in any manner and upon any terms which it may deem expedient or advisable to promote or accomplish the substantial objects and purposes of the plan or this agreement.

The Committee may make such compromise in respect to or such provision for any claim, lien or obligation not herein fully provided for, and affecting the Oregon Short Line & Utah Northern Railway Company, or any of the properties or franchises thereof, or of any of the companies mentioned in said plan, as the Committee may deem suitable, using therefor any securities not expressly required for settlement with Depositors; but the total amount of new securities to be created as set forth in the plan shall not be increased; provided, however, that the Committee may, in its discretion, create new securities not exceeding in amount the aggregate amount of the underlying divisional mortgages which, by the terms of said plan, it is now contemplated shall remain undisturbed, which new securities may be used in substitution for or to otherwise dispose of said underlying divisional mortgages to an equal amount thereof, and may be created as, and be, a prior lien to the other new securities to be created under said plan.

SIXTH. The Committee may, from time to time, make contracts or arrangements with any other committee, person, syn-

porate or corporation, for the purpose of carrying this agreement or any of its provisions into effect or of accomplishing the object thereof, and in its discretion may purchase stocks, bonds and other property, and dispose of the same by sale, pledge or otherwise, as the Committee shall deem expedient in carrying out said plan and this agreement.

The Committee may obtain by loan, guaranty or by a sale of the new securities to be created, or otherwise, on such terms, conditions and rates, as said Committee may deem proper, any moneys in its judgment required to carry out the plan and this agreement.

The Committee may employ counsel, agents, and all necessary assistance, and may incur and discharge any and all expenses by the Committee deemed reasonable for the purposes of this agreement. It may prescribe the form of all securities and of all instruments at any time to be issued or entered into under this agreement.

The Committee may at public or private sale or otherwise, and upon such terms as it shall see fit, dispose of any securities of the new company left in its hands because of any failure to make deposits hereunder, and may use such securities, or the proceeds thereof, for the purposes of reorganization in such manner as it sees fit.

The Committee may appoint at pleasure further or other depositaries than those named in the plan.

SEVENTH. The Committee may take all such steps as it may deem proper for the purpose of creating the new securities provided for in the plan, or for carrying out all or any of the provisions thereof, either by the formation of new companies or by consolidations, leases, sales, purchases or otherwise, and may make all contracts and do all things which it may deem advisable to improve, develop or protect any of the property of the said Oregon Short Line & Utah Northern Railway Company, or to prevent or avoid interference with and opposition to the successful execution hereof.



The Committee may proceed under this agreement, or any part thereof, with or without foreclosure, and may exercise any power after foreclosure sale.

Any action contemplated in the plan or agreement to be performed on or after complete reorganization may be taken by the Committee at any time when it shall deem the reorganization advanced sufficiently to justify such course, and the Committee may defer as it may deem necessary the performance of any provision of the plan or agreement, or may refer such performance to the new company.

EIGHTH. The Committee is authorized, in its discretion, to bid at any foreclosure or other sale for all or any of the property of the Oregon Short Line & Utah Northern Railway Company, or of any of the other companies mentioned in the plan, and to purchase and cause to be purchased any such property at any price which said Committee may in its judgment deem advisable.

Said Committee shall also have power in its discretion, at or before or after any such sale, to arrange and agree for a resale of any portion of the property purchased ; to make any such purchase in the name of any person or corporation by it chosen for that purpose ; to apply the deposited securities or any of them as far as may be, in satisfaction of any bid, or towards obtaining funds for the payment of the purchase price of any property purchased ; to procure the incorporation of a new railroad company, or more than one, and to transfer the railroads and property purchased, or any part thereof, and any of the deposited securities to such new corporation or corporations, and to make such arrangements and to take such steps as the Committee shall deem proper for the purpose of creating the new securities specified in said plan and carrying out all or any of the provisions thereof.

NINTH. The Committee may supply any omission or correct

any error in the plan or this agreement and may modify and depart from any provisions thereof which the Committee shall unanimously deem not to be substantial. In case, however, in the opinion of the Committee, any change or alteration of the plan substantially affecting any class of deposited securities shall be necessary, such amendment shall be made only in the following manner :

A copy of the proposed change or alteration shall be lodged with each of the depositaries under this agreement and a notice thereof shall be advertised in the manner specified in Article Twelfth hereof.

Thereupon any holders of receipts or certificates of deposit who do not assent to such alterations may at any time before a date specified in such advertisement, which date shall be at least twenty days after the first publication of such advertisement, withdraw the securities represented by their receipts or certificates of deposit upon surrendering such receipts or certificates of deposit to the proper depositaries, and upon payment of such proportion of the expenses and compensation of the Committee as the Committee shall deem just and equitable, but in such case any sum or sums by way of interest or otherwise paid or advanced in purchase of coupons or otherwise by the Committee to Depositors in respect of deposited bonds represented by the receipts or certificates of deposit so surrendered, or in respect of the new bonds to be issued in exchange therefor under said plan, must also be repaid with interest to the Committee by the holders of the receipts or certificates of deposit to be surrendered before the deposited bonds represented by such receipts or certificates of deposit shall be surrendered in exchange therefor.

Holders of receipts or certificates of deposit who neglect or fail to exercise their right to withdraw securities as aforesaid, within the time limited, shall be deemed to have assented to and adopted such change or alteration and shall be bound thereby, and the Committee shall be fully authorized to carry

the same into effect with all the powers provided in this agreement.

The Committee may construe this agreement (including said plan), and its construction thereof and action thereunder in good faith, shall be final and conclusive.

Wherever the plan or this agreement is referred to in the plan or in this agreement, it shall be deemed to include any change or alteration adopted as aforesaid.

The Committee may abandon the plan either wholly or in part at any time whether previously declared operative or not, for such reasons as shall seem satisfactory to the Committee.

In case the Committee shall finally abandon the entire plan after having once declared it operative, the stocks, bonds and securities deposited hereunder or their proceeds, or any stock, bonds, securities or claims representative thereof, then under the control of the Committee, shall be delivered to the several Depositors in amounts representing their respective interests, upon surrender of their respective receipts or certificates. In such case any assessment moneys or any securities, claims or property purchased therewith, or the proceeds thereof, when received shall be distributed equitably among the holders of receipts or certificates of deposit of stock, or other securities upon which an assessment has been paid, in proportion to the amount of assessments paid thereon respectively, after deducting therefrom a fair proportion in the judgment of the Committee of the expenses incurred by the Committee, and of its compensation; and any sum or sums by way of interest or otherwise paid or advanced in purchase of coupons or otherwise by the Committee to Depositors in respect of securities to be returned shall be repaid with interest to the Committee by the holders of the receipts or certificates of deposit representing such securities before the same shall be returned.

TENTH. The action of a majority of the members of the Committee, expressed from time to time, either at a meeting,

or in writing with or without meeting, shall, for all purposes except as herein expressly provided, constitute the action of the Committee, and have the same effect as if assented to by all.

The Committee may adopt its own rules of procedure. Any vacancy in the Committee may be filled by appointment in writing by the remaining members, or a majority of them, and the Committee may, by action of a majority of its members, add to its number. All title, rights and powers vested in the Committee hereunder shall, from time to time, vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever. In case of absence, any member may vote by any other member or by any other person approved by the Committee as his proxy, but such appointment shall be in writing. It is understood that, owing to the present illness of Mr. Boissevain, one of the Committee, he shall be represented by a member of any firm of which said Boissevain is a member, or by any person holding a power of attorney from said Boissevain, provided that such representative shall be approved by the Committee. The representative so approved may sign this agreement for said Boissevain and otherwise represent him so long as said Boissevain shall see fit.

Any member of the Committee may at any time resign, by giving notice in writing to a majority of the remaining members, and the Committee may give full release and discharge to any such member, or to the personal representative of any deceased member. The Committee may act through sub-committees or agents, and may delegate any authority, as well as discretion, to any such sub-committee or agent. Any officer or member of the Depositaries or of any of them may be a member of the Committee, and any such member or officer or any future member or officer of either the Committee or the Depositaries, and any or all of them, may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including any syndicate agreement,



whether or not mentioned in the plan. Any direction given by the Committee shall be full and sufficient authority for any action of the depositaries, or any trust company or other custodian, or for any sub-committee or agent.

ELEVENTH. The Committee undertakes in good faith to endeavor to carry out said plan and this agreement, but the members of the Committee assume no personal responsibility for the execution thereof. No member of said Committee shall be liable in any case for the acts of the other members or of any other Committee or of any depositary, nor for the acts of their agents, sub-committees or employees; nor shall they be personally liable for any error of judgment or mistake of law, but each shall be liable only for his willful misfeasance. No depositary shall be liable for the acts of the Committee or of any other depositary hereunder, or of any agents of the Committee or of any depositary.

The members of the Committee shall be entitled to receive reasonable compensation for their services, and such compensation, with the expenses of the Committee, shall be paid as part of the expenses of reorganization, the amounts of such compensation and expenses being first approved by at least six members of the Committee. The accounts of the Committee shall be filed with the Board of Directors of the new company, and when audited by said Board of Directors shall be binding and conclusive on all parties, and the Committee shall be thereby discharged, turning over to the new company any balance in the hands of the Committee, reserving however for future or additional expenses such amount as the Committee may deem reasonable.

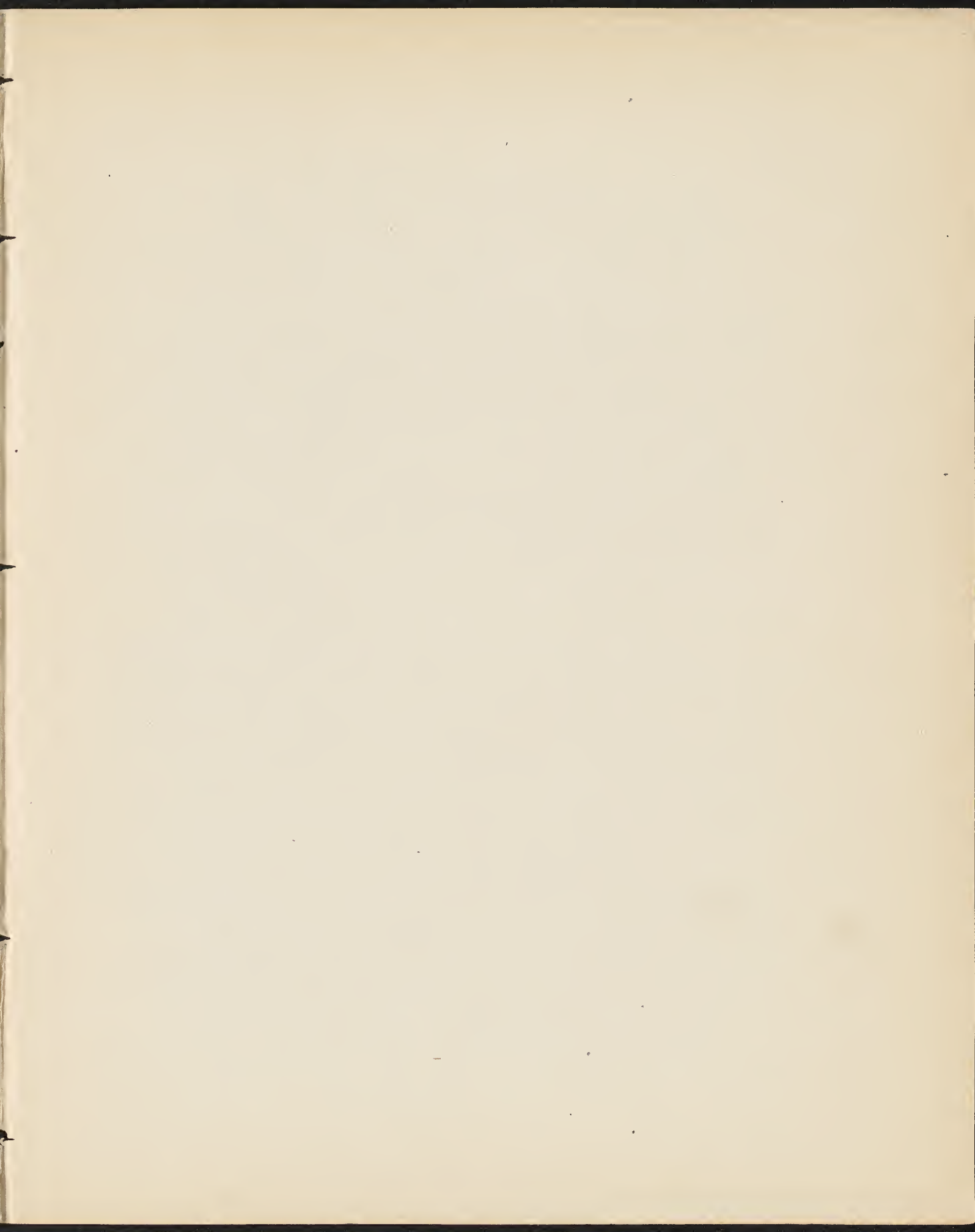
The acceptance of new securities by any Depositor shall estop such Depositor from questioning the conformity of such securities, as to their character or otherwise, with any provision of said plan, and the acceptance of new securities by a majority in amount of any class of Depositors shall so estop all Depositors of such class.

TWELFTH. All calls for the deposit of bonds and stocks, for the payment of assessments or for the surrender of certificates, all notices fixing or limiting the time for the deposit of securities or the payment of assessments, and all other calls or notices hereunder shall, except when otherwise provided, be inserted in two or more daily papers of general circulation published in the city of Boston, and in two or more daily papers of general circulation published in the city of New York, twice in each week for two successive weeks. Any call or notice whatsoever, when so published by the Committee, shall be taken and considered as though personally served on all parties hereto, and upon all parties becoming bound hereby as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this agreement.

THIRTEENTH. This agreement shall bind the Committee and their successors in office appointed in accordance herewith and the depositors hereunder, their and each of their heirs, executors, administrators, successors and assigns.

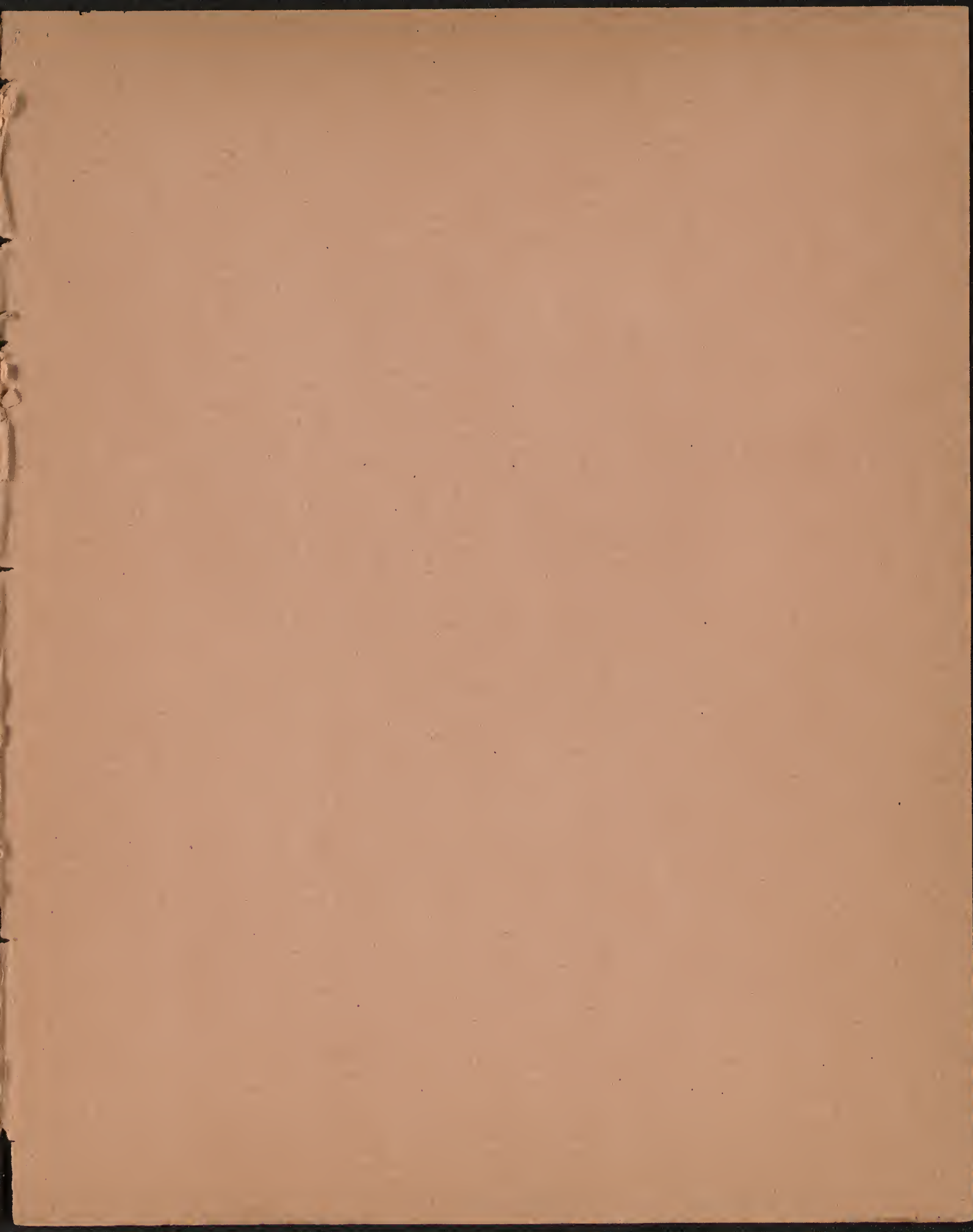
~~In witness whereof~~, the members of the Committee have hereunto signed their names, and all other parties hereto have deposited securities as above set forth.













BONDHOLDERS' AGREEMENT AND PLAN FOR REORGANIZATION  
OF THE  
Ogdensburg and Lake Champlain Railroad Company.

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**This Agreement**, made and entered into this twentieth day of August, one thousand eight hundred and ninety-six, between the several persons and corporations executing the same, or duplicates hereof, to be hereunto attached, and who are severally and respectively holders of the First Consolidated Mortgage Bonds of the Ogdensburg and Lake Champlain Railroad Company (hereinafter called "The Bondholders"), parties of the first part, and Charles Parsons, William Lummis and Thomas Denny, Jr., of New York; Charles R. Batt and Philip V. R. Ely, of Boston, Committee of Purchase and Reorganization, as herein fully set forth (hereinafter called "The Committee"), parties of the second part, WITNESSETH:

FIRST.—The Committee are hereby constituted the agents and trustees of the parties of the first part, and each and all of them, for the purpose of carrying out the plan herein suggested for the purchase and reorganization of the Ogdensburg and Lake Champlain Railroad Company and its property; and the parties of the first part do hereby severally and respectively confer upon said Committee whatever powers it may be proper and necessary for them to exercise in order to enable them to legally and efficiently execute their trust in this behalf. The Committee shall have and possess all the power and authority in the premises that may lawfully be conferred under the laws of the State of New York upon agents or trustees for the purposes herein contemplated; and their acts shall be binding on the new Successor Corporation to be formed as hereinafter specified. They shall have full power to increase their number and to fill any vacancy created in their number by death, resignation, or otherwise, and any person so elected or substituted shall have all the power and authority conferred by this agreement upon an original member of the Committee. They may act in all cases by a majority of their number. They may employ counsel and agents, and incur any expenditure reasonable and proper for the purposes of their organization. They may settle, compromise and adjust any and all claims arising during the prosecution of this plan, and generally do anything which may, in their judgment, be necessary to the effectual carrying out of the true intent of this agreement.

SECOND.—In case the property of the Ogdensburg and Lake Champlain Railroad Company shall be sold under the mortgage made by it to William J. Averill and Stuyvesant Fish, dated the first day of April, 1880, by virtue of a decree of foreclosure or under a power of sale or otherwise, the Committee shall have full power to purchase the same, or cause the same to be purchased, for account of the parties of the second part hereto; and in case of such purchase they shall pay the purchase price, so far as may be, with the bonds of the bondholders who may become parties hereto, to be delivered to the Committee for that purpose, as hereinbefore provided. They shall have the power to take any action or proceeding to obtain the title, ownership and possession of all or any part of the property of the Railroad Company, as they may be advised. They shall have full power and authority, by right of their purchase of the property of the said Railroad Company to cause a Successor Company to be duly organized, to take title to the property and franchises so purchased; and they shall do all things proper and necessary for the due



organization of such Successor Company, with its Board of Directors and proper officers. They shall cause the Successor Company, so created and organized, to issue and deliver the securities and perform the acts contemplated by this plan of purchase and reorganization.

THIRD.—The Committee may charge upon the Successor Company, in such manner and form as to them may seem best, the expenses incurred by them in carrying out this plan and in the execution of this trust, including all reasonable disbursements for counsel fees and other outlays, and also including such sums as they may find it necessary to raise in order to pay such part of the purchase price as it may be necessary to pay in money. The Committee may raise the amounts necessary for these purposes on such terms and in such manner as they may deem best, having the right to pledge the bonds of the bondholders and their rights under this agreement, and their interest in the new securities to be issued in pursuance hereof, and the members of the Committee shall receive a fair and reasonable compensation for their own services rendered in pursuance of this agreement.

FOURTH.—The bondholders shall deposit with the Old Colony Trust Company of Boston and the Central Trust Company of New York, simultaneously with the execution hereof, the First Consolidated Mortgage Bonds secured by the said mortgage and the unpaid coupons thereto attached, held by them respectively, to be held subject to the order of the Committee, and to be used by them in the purchase of and payment for the mortgaged premises. No bondholder shall have any rights or privileges under this agreement, or become a party to the same, until such deposit has been actually made; and the acceptance of any certificate of deposit issued hereunder shall constitute the holders thereof parties hereto with like effect as if they signed this agreement. They shall receive negotiable certificates for the bonds so deposited, which certificates shall set forth the fact of the deposit, and that the same has been made in pursuance of this agreement and plan of reorganization; and the holders of the said certificates, upon presentation and surrender thereof, properly assigned, will be entitled to receive therefor, in due course, the new securities contemplated by this plan, when ready for delivery. But if, for any unforeseen cause, this plan shall fail to be carried out, then the bonds so deposited shall be delivered to the respective parties entitled thereto, upon presentation and surrender of said certificates, and the payment of a *pro rata* proportion of the expenses of the Committee, not exceeding one-fourth of one per cent. of the amount of bonds deposited, except in the case set forth in the tenth and eleventh sections hereof, it being expressly understood that the Committee shall be under no obligation to purchase the mortgaged premises unless they may deem the price satisfactory, and consider it most advisable to pursue that course.

FIFTH.—On the Committee becoming the owners of the mortgaged property and franchises, as aforesaid, they shall, as soon as may be practicable, convey the same to the Successor Company, so to be formed by them as aforesaid, and thereupon, in consideration of such conveyances, the Successor Company shall convey, by a good and sufficient mortgage or deed of trust, to such trustee or trustees as the Committee shall select, all the property so acquired, in trust, to secure an issue of first consolidated mortgage bonds, having thirty (30) years to run, bearing interest at the rate of five (5) per centum per annum, commencing October 1, 1896, payable semi-annually on the first days of April and October of each year, whereof the first coupon shall be due on the first day of April, 1897, principal and interest to be payable in gold coin of the United States, of present standard of weight and fineness. The Successor Company shall make, execute and deliver said bonds under said mortgage to the Committee, to an amount not to exceed the sum of four million four hundred thousand dollars (\$4,400,000), of such numbers and denominations as may be convenient and necessary to effect the exchanges and payments as hereinafter provided. Said bonds to have the same voting rights that were given to the First Consolidated Mortgage Bondholders of the Ogdensburg and Lake Champlain Railroad Company.

SIXTH.—The said deed, mortgage and bonds shall be in such form in all respects as by the Committee shall be deemed advisable, it being expressly understood that the Committee is fully authorized and empowered to insert such clauses in the said instruments as they deem best, provided only that the above provisions be fully complied with.

SEVENTH.—In further consideration of such conveyance and transfer to said Successor Company, said Company shall make, issue and deliver to the Committee, certificates of its common stock, to an amount not exceeding four millions four hundred thousand dollars (\$4,400,000), the total consideration for the conveyance of said Railroad, its property and franchises, as herein provided to be paid by said Successor Company to the Committee, being as follows:

First Consolidated Mortgage Bonds.....	\$4,400,000
Common Stock.....	4,400,000

EIGHTH.—The bondholders aforesaid, parties hereto, on the reorganization of the Railroad Company under this plan, shall be entitled to receive in full for their bonds, and they hereby agree so to accept the same, the new first consolidated mortgage bonds and stock of the Successor Company, to be issued, as hereinbefore provided, eleven hundred dollars in new bonds, and eight hundred dollars in stock with each new bond, for each thousand dollars of bonds with all past due coupons attached deposited by them.

NINTH.—Remaining securities the Committee will use to pay the *pro rata* amount due such bondholders as do not subscribe to this plan of reorganization, such *pro rata* amount to be determined by the sale of the road; the coupons due April and October, 1896; expenses incident to the reorganization; to purchase the 4 per cent. bonds and stock if they decide it is advisable, of the Ogdensburg and Lake Champlain Railroad, issued for the LaMoille Valley Extension Railroad Company bonds, which have been reduced by sinking fund to three hundred and eighteen thousand dollars (\$318,000); for the settlement of claims which are equitable and for the interest of the Company to pay; such payments, however, to rest solely in the discretion of the Committee, and these presents not to be construed as giving any such creditor any claim whatever on the fund or on the Committee; and for the purchase of equipment, branch roads or terminals; it being understood that if the Ogdensburg and Lake Champlain Railroad 4 per cent. bonds, issued for the LaMoille Valley Extension bonds and stock, are purchased or exchanged for Ogdensburg and Lake Champlain Railroad securities, that they shall be canceled, and that road shall become a part of and be covered by the mortgage of the Successor Company of the Ogdensburg and Lake Champlain Railroad Company. Any surplus of cash or securities to be transferred and delivered to the Successor Company.

TENTH.—It is understood between the parties hereto, however, anything herein contained to the contrary notwithstanding, that it shall be fully within the discretion of the Committee to effect such an amended lease of the road to the Central Vermont as will secure to the bondholders by earnest money or securities the payment in the future of the full interest on all the First Consolidated Mortgage Bonds, and the bonds of the leased roads of the Ogdensburg and Lake Champlain Railroad Company, and immediate payment of all back interest on said bonds, and keep the equipment, bridges, road-bed, buildings and all other property of the road, by renewals and repairs, in as good condition as they are now in, and make all betterments necessary for handling the traffic of the road and for its economical operation, if it should be within their power to do so, and thus render it unnecessary to sell and reorganize said Railroad Company.

ELEVENTH.—Further it shall be within the discretion of the Committee to arrange with any Railroad Company, or a syndicate, for a sale of the bonds deposited under this agreement at a price that will net the holders 105 and all past due interest.



TWELFTH.—The right to become parties hereto is extended to the said bondholders of the Ogdensburg and Lake Champlain Railroad Company for a period of ninety days from the date hereof and no longer. But at the expiration of the said ninety days, or earlier, the Committee may extend the time during which the privilege may be exercised by all or any of the said bondholders.

THIRTEENTH.—The Committee are hereby authorized and empowered to alter or amend this agreement, from time to time, without further or prior notice to the certificate holders, in any manner that the Committee may be advised by counsel to be reasonable, necessary or proper for the carrying out or facilitating the main purposes and intents thereof. In case the Committee should not be able to carry out this plan as soon as is at present contemplated, and the Successor Company should not be organized and be in a position to make and deliver its bonds and trust mortgage and stock at as early a date as now proposed, then the Committee shall have full power to modify this plan as to the date of the securities, and the time from which they will begin to draw interest.

FOURTEENTH.—No member of the Committee shall be held liable for any ignorance or mistake of law or fact, or for any act, default or omission of any other member of the Committee, or of any Trust Company, trustee, bank or banker, attorney, or of any other agent or instrument of said Committee or of said Railroad Company.

FIFTEENTH.—The Committee are hereby authorized and empowered to supply any deficiencies in the matter of detail not herein specially provided, but which may hereafter become apparent pending the reorganization, and which they may be advised by counsel to be necessary, proper and expedient to carry out or to facilitate the true intent and purposes of this agreement. They shall account to the Successor Company, and any discharge by that Company or its Board of Directors shall be good and valid against any claim that may be made against them, or any of them, by reason of anything done under these presents.

SIXTEENTH.—This agreement shall become binding and have full force and effect whenever it shall have been signed by the holders of a majority of the existing outstanding first consolidated mortgage bonds, and all copies subscribed by any person having a right to become a party hereto shall have the same effect as the original.

IN WITNESS WHEREOF, the parties aforesaid have hereunto set their hands the day and year first above written.

CHARLES PARSONS,  
15 Broad St., New York.  
WILLIAM LUMMIS,  
40 Wall St., New York.  
THOMAS DENNY, Jr.,  
62 Cedar St., New York.  
CHARLES R. BATT,  
National Security Bank, Boston.  
PHILIP V. R. ELY,  
28 State St., Boston.

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**PLAN AND AGREEMENT FOR THE REORGANIZATION**  
**OF THE**  
**PHILADELPHIA AND READING RAILROAD**  
**COMPANY**  
**AND**  
**PHILADELPHIA AND READING COAL AND**  
**IRON COMPANY.**

Dated December 14, 1895.

**FREDERIC P. OLCOTT,**  
**ADRIAN ISELIN, Jr.,**  
**J. KENNEDY TOD,**  
**HENRY BUDGE,**  
**THOMAS DENNY,**  
**GEORGE H. EARLE, Jr.,**  
**SIDNEY F. TYLER,**  
**SAMUEL R. SHIPLEY,**  
**RICHARD Y. COOK,**

*Committee.*

**F. W. WHITRIDGE,**  
**JOHN G. JOHNSON,**  
**GEORGE L. RIVES,**

*Counsel.*

**J. P. MORGAN & CO.,**  
*New York.*

**DREXEL & CO.,**  
*Philadelphia.*

**J. S. MORGAN & CO.,**  
*London.*

*Depositories.*

**FRANCIS LYNDE STETSON,**  
*Counsel.*





# REORGANIZATION

OF THE

## Philadelphia and Reading Railroad Company

AND

## Philadelphia and Reading Coal and Iron Company.

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As security-holders are doubtless aware, the undersigned Committee has, for over a year past, devoted its time and attention to the affairs of the above-named companies, and, as a result, a decree for the foreclosure of the General Mortgage is expected shortly to be entered.

The Committee feels, therefore, that the time is now opportune to bring about a reorganization of the properties of the Philadelphia and Reading Railroad Company and of the Philadelphia and Reading Coal and Iron Company on the basis which it originally undertook to accomplish, being one which shall attain the following results :

- (a) the protection of the present General Mortgage ;
- (b) the reduction of the fixed charges to a limit safely within the net earning capacity of the reorganized properties ;
- (c) adequate provision of cash working capital for future requirements ;
- (d) the payment of the floating debt, and provision for the existing car trust obligations ;
- (e) such control of the reorganized System until the earnings of the properties shall have placed them in a satisfactory financial position, as shall render additionally secure the new General Mortgage.

Having these objects in view, the annexed plan has been prepared, with the co-operation of Messrs. J. P. Morgan & Co., who have been selected by the Committee to act as Managers to carry out the plan.

FREDERIC P. OLCOTT, ADRIAN ISELIN, JR., J. KENNEDY TOD, HENRY BUDGE, THOMAS DENNY, GEORGE H. EARLE, JR., SIDNEY F. TYLER, SAMUEL R. SHIPLEY, RICHARD Y. COOK,	}	Committee.
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## **PRELIMINARY CONDITIONS OF PARTICIPATION UNDER THE PLAN.**

Participation under the plan of reorganization, in any respect whatsoever, by any stockholder or bondholder affected thereby (as specified on p. 7), is dependent on his depositing his holdings with one of the Depositaries, Messrs. J. P. Morgan & Co., 23 Wall Street, New York; Messrs. Drexel & Co., Fifth and Chestnut Streets, Philadelphia, or Messrs. J. S. Morgan & Co., 22 Old Broad Street, London, within such time as may be fixed, and will embrace only securities so deposited. As to Income Bonds and Stock so deposited, participation is further dependent on the payment of assessments, as provided in the plan (see p. 8). All securities for deposit must be in negotiable form.

The assessments on Income Bonds and Stock will be payable at the office of Messrs. J. P. Morgan & Co., Messrs. Drexel & Co. or Messrs. J. S. Morgan & Co., at the option of each depositor, in four equal installments, at least 30 days apart, when and as called for by advertisement in each instance at least twice a week for two weeks in two of the daily papers of general circulation published in the Cities of New York, Philadelphia and London, respectively. All payments must be receipted for by one of the Depositaries on the reorganization certificates.

Failure to pay assessments when and as payable, will subject the deposited securities and all rights on account of any prior payments, to forfeiture as hereinafter provided.

The holders of receipts of the Central Trust Company of New York for General Mortgage Bonds deposited under the existing bondholders' agreement of May 7, 1894, shall be entitled to the benefits of this plan without the issue of new receipts or certificates, provided, that within the time limited therefor, such existing receipts be produced to one of the Depositaries and stamped as assenting to this plan.

All holders of General Mortgage bonds not already deposited with the Central Trust Company of New York under the existing bondholders' agreement, shall, by delivery thereof to the Depositaries, be deemed to deposit their bonds under said bondholders' agreement, and, for the bonds deposited, will receive certificates of said Trust Company issued under that agreement, duly stamped by one of the Depositaries as assenting to this plan.

The holders of receipts heretofore issued by the Central Trust Company of New York for First, Second and Third Preference Income Bonds, Deferred Income Bonds and Stock, must surrender the same to one of the Depositaries and must obtain new certificates hereunder in exchange therefor, in order to entitle them to the benefit of this plan. Receipts not so exchanged will not be entitled to participation herein.

# PLAN OF REORGANIZATION.

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## THE NEW COMPANY.

Unless the Managers shall decide to proceed without foreclosure or sale, the properties of the existing Reading companies will be sold and successor companies will be organized under the laws of Pennsylvania; and the stocks and securities of these successor companies will be vested in a new company, formed or to be formed under the laws of Pennsylvania or of some other State. The term "New Company," as hereinafter used, is intended to mean either the existing Reading companies or the New Proprietary Company.

Pending their use for reorganization purposes, all bonds deposited hereunder will be delivered by the Depositaries to the Central Trust Company of New York, and all stock will be delivered in like manner to the Mercantile Trust Company, and shall be held by them respectively subject to the order and control of the Committee. All stocks and bonds deposited under the plan are to be kept alive so long as necessary for the purpose of reorganization.

## NEW STOCKS AND BONDS.

### A.

THE NEW COMPANY is to authorize the following securities:

#### **1. General Mortgage 100-Year 4% Gold Bonds for \$114,000,000.**

These bonds are to be secured by mortgage and pledge of all properties and securities embraced in the reorganization as carried out, and also all other property which shall be acquired thereafter by use of any of the new bonds.

Of the new General Mortgage bonds, \$44,550,000 are to be reserved so that they can be issued only against existing undisturbed bonds (Table C); the present Improvement Mortgage bonds amounting to \$9,364,000, maturing in 1897, may, however, be extended at not over  $4\frac{1}{2}\%$  per annum interest.

\$20,000,000 of the new bonds will be reserved for purposes of future construction, equipment, etc. (available only to an extent not exceeding \$1,500,000 in any one year), thus providing adequate means for extension of business.



The new mortgage will further provide for the issue, if found desirable, of additional bonds secured thereby (not exceeding \$21,000,000) for the following purposes:

\$8,500,000 to meet the Philadelphia and Reading Terminal bonds

\$12,500,000      "      "      "      "      "      Coal and Iron bonds

in which case these bonds, or the property covered thereby, will be brought under the new mortgage as additional security therefor.

Suitable arrangements will be made for a sinking fund out of the revenues from the Coal and Iron Company, or its successor, to be used to retire new General Mortgage Bonds, but no compulsory redemption of the new bonds can be made prior to their maturity.

The new mortgage will, subject only to the bonds for which reservation is made, be based upon properties or securities of all the lines of railroad owned by the Philadelphia and Reading Co., 327 miles.

Various leasehold lines, 552 miles, more or less.

All the property of the Coal and Iron Company, or the securities thereof, representing nearly 200,000 acres of coal and timber land.

The new mortgage will also have the benefit of equipment valued at about \$10,000,000, but now subject to about \$7,300,000 of car trust obligations, which are to be acquired under the plan, and also the marine equipment of the Company.

Furthermore, by the redemption of the present Collateral Trust Mortgage, or the acquisition of the bonds secured thereby, and by the payment of other debts, the new General Mortgage will have a first lien upon a majority or more of the capital stock of various companies in the system owning 448 miles of railroad, of which 195 miles are leasehold lines included in the 552 miles above stated. These 448 miles embrace properties which are essential to the system, no part of which is covered by the present General Mortgage. The securities thus to be pledged, earned last year an income of \$585,000, of which \$448,000 was actually received by the Philadelphia and Reading Railroad Company in the way of dividends, the remainder being retained for betterments and working capital.

The new mortgage will thus have the security of a vast amount of valuable property in addition to that afforded by the present General Mortgage.

**2. Non-cumulative 4% First Preferred Stock for \$28,000,000,** subject to an increase of \$21,000,000, as hereinafter stated, for substitution for Second Preferred Stock. The First Preferred Stock will entitle the holders to non-cumulative dividends up to 4 per cent. per annum, payable out of net earnings before any dividends shall be paid on the Second Preferred or the Common Stock.

**3. Non-cumulative 4% Second Preferred Stock for \$42,000,000,** which will entitle the holders to non-cumulative dividends up to 4 per cent. per annum, payable out of net earnings before any dividends shall be paid on the Common Stock.

**4. Common Stock for \$70,000,000,** subject to an increase of \$21,000,000, as hereinafter stated, for substitution for Second Preferred Stock.

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All the stock will be divided into shares of \$50 or \$100 each.

Provision will be made that at any time after dividends at the rate of 4 per cent. per annum shall have been paid for two successive years on the First Preferred Stock, the New Company may convert the Second Preferred Stock at par, one-half into First Preferred Stock and one-half into Common Stock.

**B.**

As a consideration for the property and securities to be conveyed or delivered to the New Company, or which, pursuant to this plan, the New Company shall acquire, it is contemplated that the New Company shall deliver the foregoing bonds and stock, excepting the portions to be held against such of the existing securities as are not disturbed, and such final amounts as shall be reserved for the future use of the New Company.

The requisite deliveries of the new securities to depositors and subscribers under the plan will thus be provided for.

**C.**

As additional protection to the new General Mortgage bonds, all classes of stock of the new company (except such number of shares as may be disposed of to qualify directors) are to be vested in the following Voting Trustees: J. Pierpont Morgan, Frederic P. Olcott and a third Trustee to be selected hereafter.

In the event of the death of any person designated as a Voting Trustee, prior to the creation of the Voting Trust, the vacancy shall be filled as provided in the Reorganization Agreement. The stock shall be held by the Voting Trustees and their successors, jointly (under a trust agreement prescribing their powers and duties and the method of filling vacancies), for five years, and for such further period (if any) as shall elapse before the first preferred stock shall have received 4 per cent. cash dividend per annum for two consecutive years, although the Voting Trustees may, in their discretion, deliver the stock at any earlier date. Until delivery of stock is made by the Voting Trustees, they shall issue certificates of beneficial interest entitling the registered holders to receive, at the time therein provided, stock certificates for the number of shares therein stated, and in the meanwhile to receive payments equal to the dividends collected by the Voting Trustees upon the number of shares therein stated, which shares, however, with the voting power thereon, shall be vested in the Voting Trustees until the stock shall become deliverable, as provided in such certificates of the Voting Trustees.

Provision is to be made that no additional mortgage shall be put upon the property to be acquired hereunder, nor the amount of the First Preferred Stock authorized under this Plan be increased, except with the consent, in each instance, of the holders of a majority of the whole amount of each class of Preferred Stock, given at a meeting of the Stockholders called for that purpose, and with the consent of the holders of a majority of such part of the Common Stock as shall be represented at such meeting, the holders of each class of stock voting separately; also that the amount of the Second Preferred Stock shall not be increased except with like consent by the holders of a majority thereof, and a majority of such part of the Common Stock as shall be represented at the meeting. During the existence of the voting trust, the consent of holders of like amounts of the respective classes of beneficial certificates shall also be necessary for the purposes indicated.

The New Company may reserve the right to redeem at any time either or both classes of its Preferred Stock at par in cash, if allowed by law.

**D.**

THESE NEW BONDS AND STOCK TRUST CERTIFICATES are intended to be used as shown in the accompanying Tables (subject only to such changes as may be necessary for the effective carrying out of the plan), viz.:

# BONDS.

For Undisturbed bonds (see Table C) .....	\$44,550,000 00
“ Present General Mortgage bonds (exclusive of about \$1,900,000 pledged as collateral) .....	44,575,000 00
“ Delivery to Syndicate .....	4,000,000 00
“ New construction, additions and betterments, additional equipment, etc., under carefully guarded restrictions, not over \$1,500,000 to be used in any one year. These bonds will be used only in such manner as additionally to secure the new mortgage .....	20,000,000 00
“ Contingencies (any surplus to go to new Company) .....	875,000 00
	<u>\$114,000,000 00</u>

## FIRST PREFERRED STOCK.

For First Preference Income bonds .....	\$7,184,000 00
“ Delivery to Syndicate .....	8,000,000 00
“ Reserve for adjustment with various outstanding bondholders, creditors and stockholding interests, Commission to Refunding and Guarantee Syndicate, and Contingencies (the surplus to go to the new Company) .....	12,816,000 00
	<u>\$28,000,000 00</u>

## SECOND PREFERRED STOCK.

For First, Second and Third Preference Income bonds .....	\$40,286,000 00
“ Contingencies (the surplus to go to the new Company) .....	1,714,000 00
	<u>\$42,000,000 00</u>

## COMMON STOCK.

For Income bonds and Stock .....	\$69,598,000 00
“ Contingencies (the surplus to go to the new Company) .....	402,000 00
	<u>\$70,000,000 00</u>

The undisturbed bond issues of the Reading system cannot be compulsorily retired prior to their maturity; therefore, reservation of New General Mortgage bonds is made to provide for them, as shown above. The security for the present General Mortgage bonds is ample, but a reorganization has become necessary through the creation of debts which have proved a drain upon the resources of the Company and have necessitated a diversion of its income.



## DISTURBED SECURITIES AND BASIS OF EXCHANGE.

### The securities disturbed in this reorganization are:

General Mortgage 4% Bonds.....	\$44,602,188
1st Preference Incomes.....	23,949,735
2nd Preference Incomes.....	16,176,072
3rd Preference Incomes.....	16,634,462
Capital Stock.....	41,373,662
Deferred Incomes.....	20,751,590

### The basis of their exchange is as follows:

	RECEIVE:				
	Cash.	New General Mortgage Bonds.	First Preferred Stock Trust Certificates.	Second Preferred Stock Trust Certificates.	Common Stock Trust Certificates.
General Mortgage Bonds ("stamped" receipts heretofore issued by Central Trust Company when "assented" ‡).....	2%*	100%			
General Mortgage Bonds ("unstamped" receipts heretofore issued by Central Trust Company when "assented" ‡).....	12%†	100%			
General Mortgage Bonds heretofore undeposited (when deposited in exchange for assented receipts of Central Trust Company).....	12%†	100%			
First Preference Income Bonds¶	On payment of assessment as stated on page 8.		30%	100%	
Second Preference Income Bonds¶.....				65%	55%
Third Preference Income Bonds¶				35%	85%
Stock ¶.....					100%
Deferred Income Bonds¶.....					20%

The foregoing percentages are based upon the principal amount of the bonds. Undeposited bonds must be deposited with all unpaid coupons.

These new bonds will be for \$1,000 each. Interest will start from January 1st, 1896 (first coupon to mature July 1st, 1896), and will be at 4% per annum. Equitable cash settlement will be made for fractional amounts of new bonds and of stock accruing to depositors.

\* For January, 1896, coupon, payable on or before completion of the reorganization, with interest from January 1, 1896.

The equitable interest certificates heretofore issued will be paid in cash at 105 per cent. and interest, on or before the completion of the reorganization.

† The 12 per cent. in cash represents coupons from July 1, 1893 to January 1, 1896, and is payable on or before completion of the reorganization, but bears interest at 6 per cent. per annum, from the dates of maturity of the respective coupons until paid. By means of this payment the "unstamped" certificates and heretofore undeposited bonds are placed upon the same footing as the "stamped" certificates.

‡ In order to "assent" holders of these receipts must present them for "stamping" as indicated on page 2 of plan.

¶ All existing receipts for these securities must be exchanged as indicated on page 2 of plan.



**The assessments** on the First, Second and Third Preference Income bonds on the stock and on the Deferred Income Bonds are :

20 per cent. on First, Second and Third Preference Incomes.

20 " " " Stock.

4 per cent. on Deferred Incomes.

**A Syndicate** has been formed by Messrs. J. P. Morgan & Co., J. Kennedy Tod & Co., Hallgarten & Co., and A. Iselin & Co. which definitely agrees:

1. To underwrite the payment of the assessments on the Income bonds and Stock of the present Railroad Company, the Syndicate to acquire all the rights of holders of Income bonds and Stock who shall not deposit their stock and pay the assessments thereon.
2. To take \$4,000,000 of the new General Mortgage bonds and \$8,000,000 " " " First preferred stock.
3. To guarantee the extension or payment of the Improvement Mortgage bonds and of the Coal and Iron Company bonds, most of which will mature within the next two years.

The financial requirements, not only of the reorganization, but of the New Company, as stated above, are thus fully provided for.

The compensation to Messrs. J. P. Morgan & Co. for their services as Managers of the plan and to their above-named associates in the formation of the Syndicate, has been fixed at \$650,000 in addition to all expenses incurred.

## CASH REQUIREMENTS AND PROVISION THEREFOR.

The estimated requirements of the plan (including General Mortgage interest up to January 1, 1896) are as follows:

Floating Debt.....	\$3,800,000 00	
Receivers' Certificates .....	3,800,000 00	
Car Trust and Equipment Notes.....	7,300,000 00	
Equitable Interest Certificates and Accrued Interest on unstamped General Mortgage Trust Certificates and non-deposited General Mortgage Bonds, about .....	6,250,000 00	
Arrearages of Sinking Fund, Divisional Coal Mortgages...	2,000,000 00	
Reorganization and other expenses, including commissions to Bankers, unforeseen items, etc. (any surplus to go to new Company) .....	2,000,000 00	
	<hr/>	\$25,150,000 00
The assessments will yield.....	\$20,862,289 00	
The Syndicate will contribute in cash .....	7,300,000 00	
	<hr/>	28,162,289 00
		<hr/>
Leaving an estimated cash balance of about.....		\$3,000,000 00
to be used for the purposes of the new Company.		<hr/>

## POSITION OF NEW COMPANY.

The annual fixed charges of the reorganized system (see Appendix, Table B) will be about \$9,300,000. An almost immediate reduction of nearly \$500,000 per annum in these fixed charges will, however, be effected through the refunding or extension by the syndicate at 4 to 4½ per cent. of some \$20,000,000 6 per cent. and 7 per cent. bonds shortly to mature, and the extension already effected by the Receivers, at ~~4~~ per cent., of \$1,500,000 North Pennsylvania bonds which now bear 7 per cent.

The net earnings of the system for the past four years, terminating November 30th, were :

1892.....	\$12,472,190 61
1893.....	11,172,690 56
1894.....	9,839,971 32
1895 (estimated as to November).....	9,624,123 00

Except for the annual interest charge of about \$105,000, which is now being created through the construction, in connection with the City of Philadelphia of the Pennsylvania Avenue subway in that city, and the further interest obligations which may gradually arise through the yearly issuance of not exceeding \$1,500,000 of new General Mortgage 4% Bonds for new construction, betterments, etc. (as hereafter required to develop the business), no reason is believed to exist for any increase in the fixed charges of the Reorganized Company.

The New Company will start without floating debt and will be relieved from the embarrassment of Car Trusts which during the last five years have absorbed upwards of \$4,500,000 from its net income, which otherwise might have been free to conserve the property. These Car Trusts, unless provided for, as a part of a comprehensive plan of reorganization, will further absorb over \$7,300,000 additional in the next five years. The new fixed charges will be well within the net income of the system even in the past years of extreme depression, and the New Company will start not only with a substantial working cash capital, but also with power to provide facilities for the increase of business.

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# APPENDIX.

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# APPENDIX.

## TABLE A.

### Present Annual Fixed Charges.

The present fixed charges of both Companies aggregate \$10,035,073, made up as follows:

Interest on Prior Liens including interest on Bonds and Mortgages on Real Estate.....	\$2,666,509
Interest on General Mortgage Bonds.....	1,788,607
Interest on Terminal Loan.....	425,000
Rentals (about).....	2,876,040
Interest Coal & Iron Co.....	1,051,017
Taxes.....	350,000
	<hr/>
	\$9,157,173
Interest on floating debt and Receivers' certificates.....	441,940
Interest on Car Trusts and Equipment Notes.....	435,960
	<hr/>
<i>Total present Fixed Charges</i> .....	<u><u>\$10,035,073</u></u>

## TABLE B.

### Annual Fixed Charges After Reorganization.

	Capital.	Interest.
Prior Mortgage Loans.....	\$5,241,700	\$286,357
Cons. Mortgage Loan, 1871-1911.....	18,811,000	1,235,150
Improvement Mortgage Loan .....	9,364,000	561,840
Cons. Mortgage Loan, 1882-1922.....	5,768,577	288,375
General Mortgage Loan.....	44,715,188	1,788,607
“ “ “ \$4,000,000, new.....	4,000,000	160,000
Terminal R. R. Loan.....	8,500,000	425,000
Collateral Sinking Fund Loan.....	1,831,000	91,550
Bonds and Mortgages on Real Estate.....	3,532,896	203,237
Taxes .....		350,000
Rentals (about).....		2,876,040
Coal and Iron Co. Divisional and Real Estate Mortgages.....	12,383,608	743,017
do. Coal Trust Certificates.....	4,300,000	258,000
do. Commission of Finance Co. of Pennsylvania.....		50,000
		<hr/>
<i>Total new Fixed Charges</i> .....		<u><u>\$9,317,173</u></u>
<b>Decrease in Annual Fixed charge</b> .....		<u><u>\$717,900</u></u>

## TABLE C.

**Schedule of Securities not disturbed by the Reorganization.**

## Prior Mortgage Loans, viz.:

First Mortgage 6% £500 Coupon Bonds.....	\$967,200
First Mortgage 6% \$1,000 Coupon Bonds.....	545,500
Mortgage 6% \$1,000 Coupon Bonds.....	795,000
Mortgage 6% \$1,000 Coupon Bonds.....	92,000
Mortgage 6% \$1,000 Coupon Bonds.....	67,000
Mortgage Convertible 4½% Coupon Bonds.....	1,000
Mortgage Convertible 4½% \$500 and \$1,000 Coupon Bonds...	78,000
Mortgage 5% \$1,000 Gold Coupon Bonds.....	2,696,000
	<hr/> \$5,241,700

Consol. Mortgage Loans (\$8,162,000 @ 6%; \$10,649,000 @ 7%)..	\$18,811,000
Improvement " (6%) .....	9,364,000
Income " (7%) .....	1,000
Consol. Mortgage of 1882 (1st Series 5% Gold).....	5,767,042
" " 1883 (2d " 5% " ).....	1,535
Bond and Mortgages on Real Estate.....	3,532,896
5% Collateral Sinking Fund Loan of 1892.....	1,831,000
	<hr/> 39,308,473
	<hr/> \$44,550,173

5% Terminal bonds.....	8,500,000
Coal and Iron Company bonds.....	12,383,608
	<hr/> \$65,433,781

**TABLE D.**  
**ADDITIONAL SECURITIES TO GO UNDER NEW GENERAL**  
**MORTGAGE, VIZ.:**

**Securities now embraced in Collateral Trust.**

	<i>Shares.</i>
Allentown Railroad Company.....	21,479
Atlantic City Railroad Co., preferred.....	19,046
Atlantic City Railroad Co., common.....	23,972
Camden County Railroad Company.....	1,039
Catasauqua and Fogelsville Railroad Co.....	10,135
Catawissa Railroad Co., first preferred.....	228
Catawissa Railroad Co., second preferred.....	310
Central Dock and Terminal R. R. Co.....	1,816
Chester and Delaware River R. R. Co.....	750
Colebrookdale R. R. Co.....	5,601
Delaware River Ferry Co. of New Jersey.....	4,992
East Mahanoy R. R. Co.....	5,646
East Pennsylvania R. R. Co.....	17,555
Gettysburg and Harrisburg Railway Co.....	10,807
Junction Railroad Company.....	1,718
Locust Gap Improvement Co.....	2,000
Middletown and Hummelstown R. R. Co.....	3,473
Mine Hill and Schuylkill Haven R. R. Co.....	1,620
Mill Creek and Mine Hill Navigation and R. R. Co.....	1,919
Mount Carbon and Port Carbon R. R. Co.....	768
Norristown Junction R. R. Co.....	400
Northeast Pennsylvania R. R. Co.....	6,252
North Pennsylvania Railroad Company.....	2,576
Philadelphia, Reading and Pottsville Telegraph Co.....	369
Philadelphia and Chester Valley R. R. Co., preferred.....	4,102
Philadelphia and Chester Valley R. R. Co., common.....	9,054
Philadelphia, Harrisburg and Pittsburg R. R. Co.....	39,646
Pickering Valley R. R. Co.....	1,220
Reading and Columbia R. R. Co.....	15,726
Reading Iron Company.....	9,980
Rupert and Bloomsburg R. R. Co.....	960
Schuylkill and Lehigh R. R. Co.....	945
Schuylkill Valley Navigation and R. R. Co.....	1,238
Shamokin, Sunbury and Lewisburg R. R. Co.....	39,917

**BONDS.**

	<i>Par Value.</i>
Locust Dale Coal Company.....	\$156,000
People's Railway Company.....	36,000
Perkiomen Railroad Company.....	161,100
Philadelphia, Reading and Pottsville Tel. Co.....	200,000
Philadelphia and Chester Valley R. R. Co., preferred.....	25,000

~~PAR VALUE~~  
~~Shares~~

Philadelphia and Chester Valley R. R. Co., not preferred.....	47,000
Reading and Columbia R. R. Co. firsts.....	9,500
Reading and Columbia R. R. Co. seconds.....	35,000
Reading and Columbia R. R. Co. debentures.....	1,000,000
Schuylkill and Lehigh R. R. Co. firsts.....	93,900

### Securities in Treasury.

*WHEN ACQUIRED BY THE NEW COMPANY.*

	<i>Shares.</i>
Danville and Shamokin R. R. Co.....	5,000
People's Railway Co., Pottsville, Pa.....	2,703
Philadelphia, Newtown and New York R. R. Co.....	500
do. preferred.....	7,500
Philadelphia Belt Line.....	1,560
Port Reading R. R. Co.....	15,650
Tamaqua, Hazleton and Northern R. R. Co.....	6,000
Also some other securities.	





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# AGREEMENT.

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**An Agreement**, made this 14th day of December, 1895, between FREDERIC P. OLCOTT, ADRIAN ISELIN, Jr., J. KENNEDY TOD, HENRY BUDGE, THOMAS DENNY, GEORGE H. EARLE, Jr., SIDNEY F. TYLER, SAMUEL R. SHIPLEY and RICHARD Y. COOK (hereinafter called the Committee), parties of the first part; the CENTRAL TRUST COMPANY OF NEW YORK, party of the second part; J. P. MORGAN & Co. (a copartnership hereinafter called the Managers), parties of the third part; and HOLDERS of receipts of the Central Trust Company of New York for general mortgage bonds, and HOLDERS of first, second and third preference income bonds secured by mortgages of the Philadelphia and Reading Railroad Company, and the Philadelphia and Reading Coal and Iron Company (hereinafter collectively called the Reading Companies), and HOLDERS of the stock and deferred income bonds of the Philadelphia and Reading Railroad Company, who shall become parties to this agreement (hereinafter called Depositors) of the fourth part.

**Whereas**, the parties of the first part, by an agreement dated May 7, 1894, known as the Bondholders' Agreement, were, by the subscribers to said agreement, holders of the four per cent. general mortgage bonds of the Reading Companies, appointed a committee for the reorganization of said Companies; and

**Whereas**, the plan set forth in this agreement has been proposed for the reorganization of the Reading Companies.

**This agreement witnesseth**, that each and every person or party who shall deposit with either of the banking copartnerships of J. P. Morgan & Co. in New York, Drexel & Co. in Philadelphia or J. S. Morgan & Co. in London, who are hereby appointed Depositaries hereunder, any first, second or third preference income bond, and any stock or deferred income bond of the Philadelphia and Reading Railroad Company, as hereinafter provided; and each and every holder of any Central Trust Company receipt for any General Mortgage Bond, stamped hereunder, as hereinafter provided, by any Depositary, **HEREBY PROMISES AND AGREES** to and with every other depositor and assenting receipt holder, and to and with the Depositaries, and to and with the Managers; and the Depositaries and the Managers do reciprocally promise and agree as follows:

**FIRST.** A printed copy of this agreement, signed by a majority of the Committee and by the parties of the second and third part hereto, and lodged with J. P. Morgan & Co., New York, shall be held and taken to be the original agreement. The foregoing plan is and shall be taken to be a part of this agreement, with the same effect as though each and every provision thereof had been embodied herein, and said plan and this agreement shall be read as parts of one and the same paper.

Holders of the deferred income bonds, stock, and first, second and third preference income bonds of the Philadelphia and Reading Railroad Company, or of any of them, may become parties to this agreement by depositing their securities with the Depositaries and paying the assessments thereon upon the terms and conditions specified in said plan and in this agreement, and within the periods limited in pursuance thereof.

Such holders must in all cases deposit the certificates for their stock, or their bonds, with such transfers, assignments and powers of attorney as may be required by the Managers in order to vest in them, and to enable them to transfer, the complete and absolute title to such stocks or bonds, and the Depositors agree respectively at any time on demand of the Managers to execute any and all other transfers, assignments or writings required for vesting the complete ownership of the bonds and stock deposited hereunder in the Managers or their nominee, or for the purpose of enabling the Managers to carry out the plan of reorganization.



All depositors of securities (excepting assenting Receipt holders as hereinafter designated) shall receive certificates of deposit in form to be approved by the Managers, specifying the securities deposited and assessments paid thereon, and all rights of such Depositors in respect of such deposits shall be such only as shall be evidenced by such certificates; and thereafter the holder of any such certificate, or of any certificate issued in lieu thereof or in exchange therefor, shall be subject to this agreement and entitled to have and exercise the rights of the original Depositor under the certificate issued to him in respect of the securities therein mentioned.

Holders of receipts of the Central Trust Company of New York for General Mortgage bonds deposited under the Bondholders' Agreement, dated May 7, 1894, may become parties hereto without the issue of new receipts or certificates therefor; provided, that within the period limited therefor such existing receipts be produced to one of the Depositaries and by such Depositary stamped as assenting to this plan and agreement. Holders of General Mortgage bonds not already deposited under the Bondholders' Agreement of May 7, 1894, shall, by the delivery of their bonds to the Depositaries, be deemed to have deposited their bonds under said Bondholders' Agreement, and for the bonds deposited will receive receipts of the Central Trust Company of New York, issued under that agreement, stamped by one of the Depositaries as assenting to this agreement. Receipts so stamped are hereinafter designated as "Assented receipts." All bonds represented by any such assented receipts shall by and from such stamping be subject to, and included within, the provisions of this agreement as fully and irrevocably as though directly deposited hereunder, and thereafter the Managers shall irrevocably possess and from time to time may exercise all rights of the holders of bonds represented by such receipts, subject to the terms thereof, including the right to vote in respect thereof, to approve any plan of reorganization including this plan, and to abandon or terminate the said former agreement and all further proceedings thereunder. The holders of stamped receipts are hereinafter designated "Assenting Receipt holders."

Such certificates of deposit and such assented receipts and the interests represented thereby, and all rights of the holders in respect of the deposited or assented securities and of the assessments paid thereon shall be transferable only subject to the terms and conditions of this agreement, and in such manner as the Managers shall approve; and upon such transfer the transferees and holders of such certificates of deposit or of such assented receipts shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of certificates of deposit or of assented receipts, shall be embraced under the term "Depositors," whenever used herein. Each certificate of deposit or assented receipt may be treated by the Committee, by the Managers and by the Depositaries as a negotiable instrument, and the holder for the time being may be deemed to be the absolute owner thereof, and of all rights of the original Depositor of the bond or stock or assessments in respect of which the same was issued, and neither the Depositaries nor the Committee nor the Managers shall be affected by any notice to the contrary. By accepting any such certificate, or by presenting any Central Trust Company receipt to be stamped hereunder, every recipient or holder thereof shall thereby become party to this agreement with the same force and effect as though an actual subscriber hereto. The term Depositor, as well as the term Assenting Receipt holder, whenever used herein, is intended and shall be construed to include not only persons acting in their own right, but also trustees, guardians, committees, agents, and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint stock companies and corporations. Until a deposit shall have been fully completed hereunder, and a certificate therefor actually issued to the Depositor, neither the Depositor, nor any one claiming under him shall have any right hereunder and then only as specified in such certificate; nor shall any Receipt holder have any right hereunder until his receipt shall have been stamped hereunder.

The Depositaries shall receive the deposited stocks and bonds, and shall deliver all deposited bonds to the Central Trust Company of New York, and all deposited stock to the Mercantile Trust Company, and the same shall be held by them respectively subject to the order and control of the Managers.

The Managers may, in their discretion, fix or limit the period within which holders of bonds or stock, or any class thereof, may deposit their securities, and within which they or holders of Central Trust Company receipts may become parties to this agreement, and the periods within which the assessments on the first, second and third preferred income bonds, stock and deferred income bonds must be paid, and, in their discretion, either generally or in special instances, may extend or renew the period so fixed or limited, on such terms and conditions as they may see fit. Holders of securities not deposited, or of Central Trust Company receipts not becoming parties hereto, in the manner herein provided, within the periods respectively fixed or limited therefor, will not be entitled to deposit the same or to become parties to this agreement, or to share in the benefits thereof, and shall acquire no rights thereunder, except by express consent of the Managers, and upon such terms and conditions as they may prescribe. Depositors of stock or bonds subject to assessment who shall fail to pay their assessments within such period as shall be fixed or limited, shall cease to be parties hereto, or to be entitled to any benefit hereunder, or in the securities deposited or assessments paid, and shall, without right of redemption, absolutely forfeit their bonds or stock deposited, together with any part of the assessments paid thereon, and the Managers may sell the same, or the new securities which may be issued in respect thereof, to any purchaser paying such amount as the Managers may determine, and the proceeds thereof may be used for any of the requirements of carrying out said plan and as a reserve for the uses of the new company. The Managers may, however, in their discretion, on such terms as they shall see fit, waive any such forfeiture or condone any failure to pay any assessment within the period prescribed therefor.

The Managers may, in their discretion, for the purpose of carrying out the plan, call in for deposit any of the undisturbed bonds mentioned in the plan, and may cause any mortgage securing the same to be foreclosed, and may cause other similar bonds having similar security to be issued in exchange for such bonds.

SECOND. The Depositors and Assenting Receipt holders hereby irrevocably request the Managers to endeavor to carry into practical operation this agreement, including the foregoing plan of reorganization in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Managers shall deem to be for the best interests of the Depositors and Assenting Receipt holders or of the properties finally embraced in the plan of reorganization. Each and every Depositor and Assenting Receipt holder, for himself and not for any other, does hereby sell, assign, transfer and set over to the Managers as copartners, and to the survivor and survivors of them and to their successors, each and every bond, share of stock, security or obligation or evidence thereof deposited hereunder, or represented by an assented receipt, and every Depositor and Assenting Receipt holder hereby agrees that the Managers shall be and they are hereby vested with all the power and authority of owners of the stock, bonds, securities and obligations deposited hereunder, or represented by such assented receipts, with full right to transfer the same into their own name, as a copartnership and as Managers, or into the name of any other person or persons whom they may select; to vote thereon at any meeting of stockholders or bondholders or creditors; to use every such stock, bond, receipt, security or obligation as fully and to the same extent as the owner or holder thereof; to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy to vote at, any and all meetings of stockholders or bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust or lease or under any provision thereof; to purchase at such prices as they shall deem proper, or to pay, compromise or settle with the holders of, any coupons, notes or other indebtedness or obligations of any of the Reading Companies, or any Receiver's certificates or obligations issued or which may be issued or incurred by the Receivers thereof, and to apply for that purpose any moneys received



from assessments under the plan or which may otherwise be received or raised by the Committee or by them; to borrow money for any of the purposes of this agreement, and to charge or pledge any deposited securities, property purchased or new securities to be issued, for the payment of any moneys borrowed; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder or any part thereof; to institute or to become parties to any legal proceeding which could be instituted by any Depositor, any Assenting Receipt holder, or any corporation, or any officer of any corporation whose stocks or bonds or other obligations (or any part thereof) are deposited hereunder, and to participate in any and all legal proceedings now existing; to apply for receivers, or the removal of receivers and the substitution of other receivers, or for the termination of any receivership and the delivery of any property to its owners; to enter into settlement of any litigation now or at any time existing or threatened in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the purposes of the Committee or of the Managers; to do whatever, in the judgment of the Managers, may be necessary to promote or to procure joint or separate sales of any property or franchise herein concerned, wherever situated; to adjourn any sale of any property or franchise, or of any portion or lot thereof at discretion; to bid, or to refrain from bidding, at any sale, either public or private, either in separate lots or as a whole, for any property or franchises or any part thereof, whether or not owned, controlled or covered by any deposited security, or by the bonds represented by any Receipt stamped hereunder, including or excluding any particular rolling stock, or other property, real or personal, and at before, or after, any sale, to arrange and agree for the resale of any portion of the property which they may decide to sell rather than to retain; to hold any property or franchises purchased by them either in their name or in the name of persons or corporations by them chosen for the purposes of this agreement, and to apply any security deposited hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; and the term property and franchises shall include any and all railroads, railroad and other transportation lines, leaseholds, lands, rights in lands, mining rights, stocks, or other interests in corporations, in which the Reading Companies or any of them have any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Managers for any property or franchises shall be absolutely discretionary with them; and, in case of the sale to others of any property or franchises, the Managers may receive out of the proceeds of such sale or otherwise any dividend in any form accruing or any securities held by them.

THIRD. The Managers may procure the organization of one or more new companies, or they may adopt or use any existing or future companies, and they may cause to be made such consolidations, leases, sales or other arrangements, and may make or cause to be made such conveyances or transfers of any properties or securities acquired by them, and take such other proceedings as they may deem proper for the purpose of creating the new securities provided for in the plan and for carrying out all or any of the provisions thereof, or for attaining any object sought to be accomplished thereby, even though not therein specifically declared.

FOURTH. The Managers may construe this agreement (including the plan of reorganization); and their construction thereof or action thereunder, in good faith, shall be final and conclusive. They may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and they shall be the sole judge of such necessity. They shall be the sole and final judge as to when and whether the assent of enough parties interested in the Reading Companies shall have been obtained to warrant them in carrying the same or any part into effect, and they shall have power whenever they shall deem proper, to abandon or to alter, modify or depart from, the plan of reorganization, or any part thereof. They may at any time or times after any such partial abandonment, restore to the plan any abandoned part or parts thereof, and may seek to carry the same into effect, as fully

as if such part or parts had not been abandoned. They may also attempt to carry the plan into effect rather than abandon or modify the same, even though it be manifest that as carried out the plan must depart from the original plan or from some part thereof. But in case of any intentional change or modification or departure from the plan, which in their judgment shall materially affect any of the several classes of Depositors, or their mutual relations, a statement of such proposed change, modification or departure shall be filed with the Depositaries, and notice of the fact of such filing shall be given as hereafter provided in Article Twelfth; and, within two weeks after final publication, all holders of the outstanding certificates for such particular class or classes of securities affected thereby may surrender their respective certificates therefor and withdraw securities of such particular class or classes, or the proceeds thereof or substitutes therefor then under the control of the Managers, to the amount indicated in such certificates, and all Assenting Receipt holders may require cancellation of their assent and release herefrom of the securities represented by their assented receipts, provided, however, that in every case of withdrawal or cancellation the certificates holders or the assenting receipts holders shall respectively make payment of their ratable shares of the expenses of the Committee and of the Managers as apportioned by the latter. Every Depositor of securities not so surrendering and withdrawing, and every Assenting Receipt holder not withdrawing his assent, within such two weeks after final publication, shall be deemed to have assented to the proposed changes or modifications, and, whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modifications finally made by the Managers shall be part of this agreement; and all provisions and references concerning the plan shall apply to the plan so changed or modified. In case the Managers shall finally abandon the entire plan, the stocks and income bonds deposited hereunder, or their proceeds, or any stock, bonds, securities or claims representative thereof, then under the control of the Managers, shall be delivered to the several Depositors in amounts representing their respective interests upon surrender of their respective certificates and payment of such actual expenses as shall have been incurred by the Committee and Managers, which latter shall have power to determine and to apportion upon the several classes of securities deposited hereunder the ratable share of expense to be borne by each security. In such case the assessment moneys paid by the Depositors, or any coupons, notes, Receivers' certificates or other claims or property acquired therewith, or the proceeds thereof when received, shall be distributed or equitably adjusted among the respective holders of the receipts or certificates of deposit for stock or securities assessable under the plan, in proportion to the amount of the assessment moneys paid thereon respectively. In like manner, and upon like payment of expenses, the assent on assented receipts shall be cancelled by the Managers, and until so cancelled the General Mortgage bonds represented by each receipt shall be subject to their ratable share of such expenses.

FIFTH. The Managers may proceed under this agreement or any part thereof with or without foreclosure, and in case of foreclosure may exercise any power, either before or after foreclosure sale; and in any case all the provisions of the plan and agreement shall equally apply to and in respect of any physical properties embraced under the reorganization, and to and in respect of any securities representing any such property, it being intended that for all purposes thereunder any such property, and any security representing such property, may be treated or accepted by the Managers as substantially identical. In case any separate plan shall, in the opinion of the Managers, become necessary or expedient to effect the reorganization of any subordinate company, the Managers may promote and participate in any such reorganization and may deposit thereunder any securities thereby affected.

In case of any claim, lien or obligation not herein fully provided for and affecting the Reading Companies or either of them, or any property or franchises thereof, the Managers may from time to time (subject, however, to Article Sixth hereof) make such compromise in respect thereto or provision therefor as they may deem suitable, using therefor any securities not expressly required for settlement with



Depositors, or not expressly reserved for liens or obligations specified in the plan, but the total amount of new securities to be created as set forth in the plan shall not be thereby increased.

Any action contemplated in the plan or agreement to be performed on or after completion and reorganization may be taken by the Managers at any time when they shall deem the reorganization advanced sufficiently to justify such course, and the Managers may defer, as they may deem necessary, the performance of any provision of the plan or agreement, or may commit such performance to the new company.

SIXTH. The Managers may from time to time make contracts with any person, syndicate or corporation, for the purpose of carrying this agreement into effect. The Managers may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by them deemed reasonable for the purposes of this agreement. They may prescribe the form of all securities and of all instruments at any time to be issued or entered into under this agreement. They may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder, excepting that any appointment in lieu of, or in succession to, Mr. Frederic P. Olcott, prior to the actual reception of stock by the Voting Trustees, shall be made by the Committee. They may, at public or private sale, or otherwise, dispose of any securities of the new company left in their hands because of any failure to make deposits hereunder. In so disposing of any such new securities, thus left on their hands, they may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as they may deem expedient and advisable. At the time of the creation of the new securities or as soon thereafter as may be, the Managers may take such action (either by creating lesser amounts of securities, or otherwise) as they may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of the plan.

SEVENTH. The Managers shall act as a copartnership. Neither the Committee nor the Managers nor the Depositaries assume any personal responsibility for the execution of the plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof, the Managers, however, undertaking in good faith to endeavor to execute the same. No member of the Committee, nor any Depositary, nor the Managers, shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his, its or their own individual willful malfeasance or neglect; and no member of the Committee shall in any case be personally liable for the act or omission of any other member, nor for the acts of any Depositary or of the Managers, nor shall any Depositary or the Managers be personally liable for the acts or defaults of the Committee or of any Trust Company. The Managers may act through any committees or agents and may delegate any authority, as well as discretion, to any such committee or agent, and the members of such committee or such agents may be allowed a reasonable compensation for their services hereunder. Any member of the Managers or Depositaries, or any member of the Committee, at any time, may be a Voting Trustee, and may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including participation in or under any syndicate agreement, whether or not mentioned in the plan. Any direction given by the Managers shall be full and sufficient authority for any action of the Depositaries or of any Trust Company or other custodian or for any committee or agent.

The Committee shall be entitled to reasonable compensation. It may discharge any and all reasonable expenses by it incurred for any of the purposes of this agreement or of the agreement of May 7, 1894. Its accounts shall be filed with the President of the United States Trust Company, and, when audited and approved by him, shall be final and conclusive upon all parties having any interest therein. The compensation of the Committee and its expenses shall be paid as part of the expenses of the reorganization.

EIGHTH. The Managers may negotiate and contract with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other convenience which they

may deem necessary or desirable to obtain or to grant, and may make contracts therefor binding upon such new company, and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in their opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting the Reading System, or which the Reading Companies or any subordinate company has contracted to acquire, or to prevent or avoid opposition to or interference with the successful execution hereof.

NINTH. The accounts of the Managers shall be filed with the Board of Directors of the new company within one year after its organization shall have been completed, unless a longer time be granted by the said Board. The accounts, when audited and approved by such Board of Directors, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Managers shall be discharged. The acceptance of new securities by any Depositor or any Assenting Receipt holder shall estop such acceptor from questioning the conformity of such securities in any particular to any provisions of said plan; and the acceptance of new securities by a majority in amount of any class of Depositors or by a majority of Assenting Receipt Holders, shall in each case respectively estop all Depositors of such class and all of the Assenting Receipt Holders.

TENTH. The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Managers, and each Depositor hereunder and each Assenting Receipt holder hereby confers on the Managers, in respect of all securities deposited or to be deposited, or securities represented by assented receipts, and in all other respects, any and all powers which they may deem necessary or expedient, in or towards carrying out or promoting the purposes of this agreement in any respect, even though any such power be apparently of a character not now contemplated; and they may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, it may deem expedient. The methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Managers.

The bonds deposited under this agreement, or represented by assented receipts, and all Receivers' certificates, coupons and claims purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by any delivery of new securities; and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any judgment upon any of such claims, including claims and judgments for deficiencies, and all liens and equities, shall remain unimpaired, and may be enforced by the Managers or by the new company or other assigns of the Managers until paid or satisfied in full or expressly released. Neither the Managers nor any bondholders or creditors of either of the Reading Companies, by executing this agreement, or by becoming parties thereto, release, surrender or waive any lien, right or claim in favor of any stockholders or other parties interested in such company, and all such liens, rights or claims shall vest unimpaired in the Managers and in the new company, or its assigns, severally and respectively; and any purchase or purchases by or on behalf of the Managers, or the new company, under any decree for the enforcement of any such lien, right or claim shall vest the property purchased in the Managers or the new company, free from all interest or claim on the part of any such stockholders or other parties.

ELEVENTH. No estimate, statement, explanation or suggestion contained in the foregoing plan, or in any circular issued, or which may hereafter be issued by the Depositaries or by the Committee or by the Managers, is intended or is to be accepted as a representation or warranty, or as an essential condition of deposit thereunder, and no defect or error therein shall release any deposit thereunder, or affect or release any assent thereto, except by consent of the Managers. Any moneys paid under or with



reference to said plan or this agreement shall be paid over by the Depositaries to the Managers as bankers, and shall be applicable for any of the purposes of the plan and agreement as may be most convenient, and as may from time to time be determined by the Managers, whose determination as to the propriety and purpose of any such application shall be final, and nothing in said plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. No liability in respect or in favor of any bonds, stocks, obligations, securities or debts not actually brought within the provisions of this agreement by deposit or assent, as aforesaid, nor in favor of any lease contract, guarantee or other form of liability, is assumed hereunder, or by or for any new company (notwithstanding any mention thereof for estimate in respect thereto, or reservation of securities to provide therefor, in said plan), nor is any trust in their favor created or impressed upon any deposit or payment hereunder, or upon any securities to be issued under the plan. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the plan, either as proposed or carried out, or any securities held as collateral for any such obligation, may be acquired or extinguished or held by the Managers at such times, in such manner and upon such terms as they may deem proper for the purposes of reorganization, but nothing contained in the plan or in this agreement is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

TWELFTH. All calls for the presentation of receipts for stamping, for the deposit of bonds and stocks, for the payment of assessments, or for the surrender of certificates; all notices fixing or limiting any period for the deposit of securities or for the payment of assessments, or for the presentation of receipts for stamping and all other calls or notices hereunder, shall, except when otherwise provided, be inserted in the *New York Times* and the *New York Tribune*, or in two other daily papers of general circulation published in the City of New York, and in the *London Times* and *News*, or in two other daily papers of general circulation published in the City of London, and in the *Philadelphia Ledger* and *Record* or in two other daily papers of general circulation published in the City of Philadelphia, twice in each week for two successive weeks, beginning on any day of the week. Any call or notice whatsoever, when so published by the Managers, shall be taken and considered as though personally served on all parties hereto, and upon all parties bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this agreement and plan.

THIRTEENTH. This agreement shall bind the Managers and the Depositors hereunder, their and each of their survivors, heirs, executors, administrators, successors and assigns.

FOURTEENTH. The Committee approves the foregoing plan, and in the event that the Managers shall obtain the assent thereto, as therein provided, of the holders of the receipts of the Central Trust Company for two-thirds in amount of the general mortgage bonds deposited under the Bondholders' Agreement of May 7, 1894, the Committee will, at the request of the Managers, terminate said Bondholders' Agreement, provided that their approval of said plan shall have been confirmed by the holders of a majority of two-thirds in interest of the receipts of the Central Trust Company for general mortgage bonds, present or represented at a regularly called meeting held under the provisions of said Bondholders' Agreement of May 7, 1894.

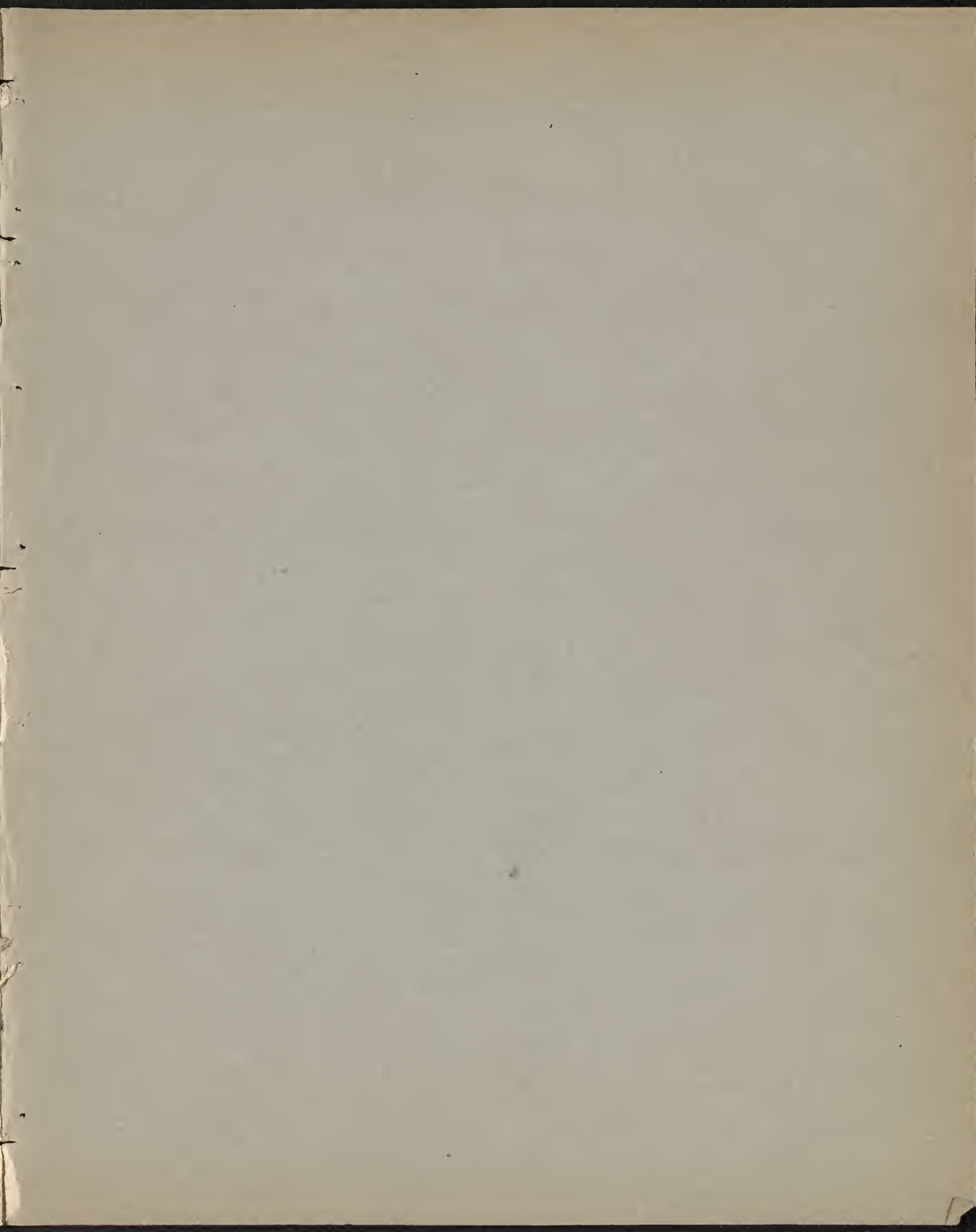
FIFTEENTH. In order fully to subject to every provision of this agreement all general mortgage bonds represented by Central Trust Company stamped receipts, and to obtain therefor all benefits hereunder, the Central Trust Company of New York becomes a party hereto, and each assenting receipt holder hereby confers upon it full power and authority, upon the termination of the said Bondholders' Agreement of May 7,

1894, in accordance with the foregoing article hereof, to hold subject to this agreement the general mortgage bonds represented by any such stamped receipt, and full power and authority from time to time thereafter to make, execute and perform (such power and authority by it to be exercised when requested by the Managers), such further or other instruments, agreements and transfers as may be required hereunder in respect of any bonds represented by any such stamped receipts.

*In witness whereof*, a majority of the Committee and the Managers and the Central Trust Company of New York have hereunto signed their names, and all other parties hereto have deposited securities or have presented receipts for stamping, as above set forth.









24

PLAN AND AGREEMENT FOR THE REORGANIZATION

OF THE

PHILADELPHIA AND READING RAILROAD  
COMPANY

AND

PHILADELPHIA AND READING COAL AND  
IRON COMPANY.

DATED DECEMBER 14, 1895.

FREDERICK P. OLCOTT,  
ADRIAN ISELIN, Jr.,  
J. KENNEDY TOD,  
HENRY BUDGE,  
THOMAS DENNY,  
GEORGE H. EARLE, Jr.,  
SIDNEY F. TYLER,  
SAMUEL R. SHIPLEY,  
RICHARD Y. COOK,

} Committee.

F. W. WHITRIDGE,  
JOHN G. JOHNSON,  
GEORGE L. RIVES,  
Counsel.

J. P. MORGAN & CO.,  
New York,  
DREXEL & CO.,  
Philadelphia,  
J. S. MORGAN & CO.,  
London,

} Depositaries.

FRANCIS LYNDE STETSON,  
Counsel.





# REORGANIZATION

OF THE

## Philadelphia and Reading Railroad Company

AND

## Philadelphia and Reading Coal and Iron Company.

As security-holders are doubtless aware, the undersigned Committee has, for over a year past, devoted its time and attention to the affairs of the above-named companies, and, as a result, a decree for the foreclosure of the General Mortgage is expected shortly to be entered.

The Committee feels, therefore, that the time is now opportune to bring about a reorganization of the properties of the Philadelphia and Reading Railroad Company and of the Philadelphia and Reading Coal and Iron Company on the basis which it originally undertook to accomplish, being one which shall attain the following results :

- (a) the protection of the present General Mortgage ;
- (b) the reduction of the fixed charges to a limit safely within the net earning capacity of the reorganized properties ;
- (c) adequate provision of cash working capital for future requirements ;
- (d) the payment of the floating debt, and provision for the existing car trust obligations ;
- (e) such control of the reorganized System until the earnings of the properties shall have placed them in a satisfactory financial position, as shall render additionally secure the new General Mortgage.

Having these objects in view, the annexed plan has been prepared, with the co-operation of Messrs. J. P. Morgan & Co., who have been selected by the Committee to act as Managers to carry out the plan.

FREDERIC P. OLCOTT, ADRIAN ISELIN, JR., J. KENNEDY TOD, HENRY BUDGE, THOMAS DENNY, GEORGE H. EARLE, JR., SIDNEY F. TYLER, SAMUEL R. SHIPLEY, RICHARD Y. COOK,	}	Committee.
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## PRELIMINARY CONDITIONS OF PARTICIPATION UNDER THE PLAN.

Participation under the plan of reorganization, in any respect whatsoever, by any stockholder or bondholder affected thereby (as specified on p. 7), is dependent on his depositing his holdings with one of the Depositaries, Messrs. J. P. Morgan & Co., 23 Wall Street, New York; Messrs. Drexel & Co., Fifth and Chestnut Streets, Philadelphia, or Messrs J. S. Morgan & Co., 22 Old Broad Street, London, within such time as may be fixed, and will embrace only securities so deposited. As to Income Bonds and Stock so deposited, participation is further dependent on the payment of assessments, as provided in the plan (see p. 8). All securities for deposit must be in negotiable form.

The assessments on Income Bonds and Stock will be payable at the office of Messrs. J. P. Morgan & Co., Messrs. Drexel & Co. or Messrs. J. S. Morgan & Co., at the option of each depositor, in four equal installments, at least 30 days apart, when and as called for by advertisement in each instance at least twice a week for two weeks in two of the daily papers of general circulation published in the Cities of New York, Philadelphia and London, respectively. All payments must be receipted for by one of the Depositaries on the reorganization certificates.

Failure to pay assessments when and as payable, will subject the deposited securities and all rights on account of any prior payments, to forfeiture as hereinafter provided.

The holders of receipts of the Central Trust Company of New York for General Mortgage Bonds deposited under the existing bondholders' agreement of May 7, 1894, shall be entitled to the benefits of this plan without the issue of new receipts or certificates, provided, that within the time limited therefor, such existing receipts be produced to one of the Depositaries and stamped as assenting to this plan.

All holders of General Mortgage bonds not already deposited with the Central Trust Company of New York under the existing bondholders' agreement, shall, by delivery thereof to the Depositaries, be deemed to deposit their bonds under said bondholders' agreement, and, for the bonds deposited, will receive certificates of said Trust Company issued under that agreement, duly stamped by one of the Depositaries as assenting to this plan.

The holders of receipts heretofore issued by the Central Trust Company of New York for First, Second and Third Preference Income Bonds, Deferred Income Bonds and Stock, must surrender the same to one of the Depositaries and must obtain new certificates hereunder in exchange therefor, in order to entitle them to the benefit of this plan. Receipts not so exchanged will not be entitled to participation herein.

## PLAN OF REORGANIZATION.

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### THE NEW COMPANY.

Unless the Managers shall decide to proceed without foreclosure or sale, the properties of the existing Reading companies will be sold and successor companies will be organized under the laws of Pennsylvania ; and the stocks and securities of these successor companies will be vested in a new company, formed or to be formed under the laws of Pennsylvania or of some other State. The term "New Company," as hereinafter used, is intended to mean either the existing Reading companies or the New Proprietary Company.

Pending their use for reorganization purposes, all bonds deposited hereunder will be delivered by the Depositaries to the Central Trust Company of New York, and all stock will be delivered in like manner to the Mercantile Trust Company, and shall be held by them respectively subject to the order and control of the Committee. All stocks and bonds deposited under the plan are to be kept alive so long as necessary for the purpose of reorganization.

### NEW STOCKS AND BONDS.

#### A.

THE NEW COMPANY is to authorize the following securities :

#### 1. General Mortgage 100-Year 4% Gold Bonds for \$114,000,000.

These bonds are to be secured by mortgage and pledge of all properties and securities embraced in the reorganization as carried out, and also all other property which shall be acquired thereafter by use of any of the new bonds.

Of the new General Mortgage bonds, \$44,550,000 are to be reserved so that they can be issued only against existing undisturbed bonds (Table C) ; the present Improvement Mortgage bonds amounting to \$9,364,000, maturing in 1897, may, however, be extended at not over  $4\frac{1}{2}\%$  per annum interest.

\$20,000,000 of the new bonds will be reserved for purposes of future construction, equipment, etc. (available only to an extent not exceeding \$1,500,000 in any one year), thus providing adequate means for extension of business.

The new mortgage will further provide for the issue, if found desirable, of additional bonds secured thereby (not exceeding \$21,000,000) for the following purposes :

\$8,500,000	to meet the Philadelphia and Reading Terminal bonds
\$12,500,000	" " " " " Coal and Iron bonds



in which case these bonds, or the property covered thereby, will be bought under the new mortgage as additional security therefor.

Suitable arrangements will be made for a sinking fund out of the revenues from the Coal and Iron Company, or its successor, to be used to retire new General Mortgage Bonds, but no compulsory redemption of the new bonds can be made prior to their maturity.

The new mortgage will, subject only to the bonds for which reservation is made, be based upon properties or securities of all the lines of railroad owned by the Philadelphia and Reading Co., 327 miles.

Various leasehold lines, 552 miles, more or less.

All the property of the Coal and Iron Company, or the securities thereof, representing nearly 200,000 acres of coal and timber land.

The new mortgage will also have the benefit of equipment valued at about \$10,000,000, but now subject to about \$7,300,000 of car trust obligations, which are to be acquired under the plan, and also the marine equipment of the Company.

Furthermore, by the redemption of the present Collateral Trust Mortgage, or the acquisition of the bonds secured thereby, and by the payment of other debts, the new General Mortgage will have a first lien upon a majority or more of the capital stock of various companies in the system owning 448 miles of railroad, of which 195 miles are leasehold lines included in the 552 miles above stated. These 448 miles embrace properties which are essential to the system, no part of which is covered by the present General Mortgage. The securities thus to be pledged, earned last year an income of \$585,000, of which \$448,000 was actually received by the Philadelphia and Reading Railroad Company in the way of dividends, the remainder being retained for betterments and working capital.

The new mortgage will thus have the security of a vast amount of valuable property in addition to that afforded by the present General Mortgage.

**2. Non-cumulative 4% First Preferred Stock for \$28,000,000**, subject to an increase of \$21,000,000, as hereinafter stated, for substitution for Second Preferred Stock. The First Preferred Stock will entitle the holders to non-cumulative dividends up to 4 per cent. per annum, payable out of net earnings before any dividends shall be paid on the Second Preferred or the Common Stock.

**3. Non-cumulative 4% Second Preferred Stock for \$42,000,000**, which will entitle the holders to non-cumulative dividends up to 4 per cent. per annum, payable out of net earnings before any dividends shall be paid on the Common Stock.

**4. Common Stock for \$70,000,000**, subject to an increase of \$21,000,000, as hereinafter stated, for substitution for Second Preferred Stock.

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All the stock will be divided into shares of \$50 or \$100 each.

Provision will be made that at any time after dividends at the rate of 4 per cent. per annum shall have been paid for two successive years on the First Preferred Stock, the New Company may convert the Second Preferred Stock at par, one-half into First Preferred Stock and one-half into Common Stock.

**B.**

As a consideration for the property and securities to be conveyed or delivered to the New Company, or which, pursuant to this plan, the New Company shall acquire, it is contemplated that the New Company shall deliver the foregoing bonds and stock, excepting the portions to be held against such of the existing securities as are not disturbed, and such final amounts as shall be reserved for the future use of the New Company.

The requisite deliveries of the new securities to depositors and subscribers under the plan will thus be provided for.

**C.**

As additional protection to the new General Mortgage bonds, all classes of stock of the new company (except such number of shares as may be disposed of to qualify directors) are to be vested in the following Voting Trustees : J. Pierpont Morgan, Frederic P. Olcott and a third Trustee to be selected hereafter.

In the event of the death of any person designated as a Voting Trustee, prior to the creation of the Voting Trust, the vacancy shall be filled as provided in the Reorganization Agreement. The stock shall be held by the Voting Trustees and their successors, jointly (under a trust agreement prescribing their powers and duties and the method of filling vacancies), for five years, and for such further period (if any) as shall elapse before the first preferred stock shall have received 4 per cent. cash dividend per annum for two consecutive years, although the Voting Trustees may, in their discretion, deliver the stock at any earlier date. Until delivery of stock is made by the Voting Trustees, they shall issue certificates of beneficial interest entitling the registered holders to receive, at the time therein provided, stock certificates for the number of shares therein stated, and in the meanwhile to receive payments equal to the dividends collected by the Voting Trustees upon the number of shares therein stated, which shares, however, with the voting power thereon, shall be vested in the Voting Trustees until the stock shall become deliverable, as provided in such certificates of the Voting Trustees.

Provision is to be made that no additional mortgage shall be put upon the property to be acquired hereunder, nor the amount of the First Preferred Stock authorized under this Plan be increased, except with the consent, in each instance, of the holders of a majority of the whole amount of each class of Preferred Stock, given at a meeting of the Stockholders called for that purpose, and with the consent of the holders of a majority of such part of the Common Stock as shall be represented at such meeting, the holders of each class of stock voting separately; also that the amount of the Second Preferred Stock shall not be increased except with like consent by the holders of a majority thereof, and a majority of such part of the Common Stock as shall be represented at the meeting. During the existence of the voting trust, the consent of holders of like amounts of the respective classes of beneficial certificates shall also be necessary for the purposes indicated.

The New Company may reserve the right to redeem at any time either or both classes of its Preferred Stock at par in cash, if allowed by law.

**D.**

THESE NEW BONDS AND STOCK TRUST CERTIFICATES are intended to be used as shown in the accompanying Tables (subject only to such changes as may be necessary for the effective carrying out of the plan), viz. :

**BONDS.**

For Undisturbed bonds (see Table C) .....	\$44,550,000 00
“ Present General Mortgage bonds (exclusive of about \$1,900,000 pledged as collateral) .....	44,575,000 00
“ Delivery to Syndicate .....	4,000,000 00
“ New construction, additions and betterments, additional equipment, etc., under carefully guarded restrictions, not over \$1,500,000 to be used in any one year. These bonds will be used only in such manner as additionally to secure the new mortgage .....	20,000 00
“ Contingencies (any surplus to go to new Company) .....	875,000 00
	<hr/>
	<u>\$114,000,000 00</u>

**FIRST PREFERRED STOCK.**

For First Preference Income bonds .....	\$7,184,000 00
“ Delivery to Syndicate .....	8,000,000 00
“ Reserve for adjustment with various outstanding bondholders, creditors and stockholding interests, Commission to Refunding and Guarantee Syndicate, and Contingencies (the surplus to go to the new Company) .....	12,816,000 00
	<hr/>
	<u>\$28,000,000 00</u>

**SECOND PREFERRED STOCK.**

For First, Second and Third Preference Income bonds .....	\$40,286,000 00
“ Contingencies (the surplus to go to the new Company) .....	1,714,000 00
	<hr/>
	<u>\$42,000,000 00</u>

**COMMON STOCK.**

For Income bonds and Stock .....	\$69,598,000 00
“ Contingencies (the surplus to go to the new Company) .....	402,000 00
	<hr/>
	<u>\$70,000,000 00</u>

The undisturbed bond issues of the Reading system cannot be compulsorily retired prior to their maturity ; therefore, reservation of New General Mortgage bonds is made to provide for them as shown above. The security for the present General Mortgage bonds is ample, but a reorganization has become necessary through the creation of debts which have proved a drain upon the resources of the Company and have necessitated a diversion of its income.



## DISTURBED SECURITIES AND BASIS OF EXCHANGE.

**The securities disturbed in this reorganization are :**

General Mortgage 4% Bonds.....	\$44,602,188
1st Preference Incomes.....	23,949,735
2nd Preference Incomes.....	16,176,072
3rd Preference Incomes.....	16,634,462
Capital Stock.....	41,373,662
Deferred Incomes.....	20,751,590

**The basis of their exchange is as follows :**

	RECEIVE :				
	Cash.	New General Mortgage Bonds.	First Preferred Stock Trust Certificates.	Second Preferred Stock Trust Certificates.	Common Stock Trust Certificates.
General Mortgage Bonds ("stamped" receipts heretofore issued by Central Trust Company when "assented" †).....	2%*	100%			
General Mortgage Bonds ("unstamped" receipts heretofore issued by Central Trust Company when "assented" †).....	12%†	100%			
General Mortgage Bonds heretofore undeposited (when deposited in exchange for assented receipts of Central Trust Company) .....	12%†	100%			
First Preference Income Bonds¶.....	On payment of assessment as stated on page 8.		30%	100%	
Second Preference Income Bonds¶.....				65%	55%
Third Preference Income Bonds¶.....				35%	85%
Stock¶.....					100%
Deferred Income Bonds¶.....					20%

The foregoing percentages are based upon the principal amount of the bonds. Undeposited bonds must be deposited with all unpaid coupons.

These new bonds will be for \$1,000 each. Interest will start from January 1st, 1896 (first coupon to mature July 1st, 1896), and will be at four per cent. per annum. Equitable cash settlement will be made for fractional amounts of new bonds and stock accruing to depositors.

\* For January, 1896, coupon, payable on or before completion of the reorganization, with interest from January 1, 1896.

The equitable interest certificates heretofore issued will be paid in cash at 105 per cent. and interest, on or before completion of the reorganization.

† The 12 per cent. in cash represents coupons from July 1, 1893, to January 1, 1896, and is payable on or before completion of the reorganization, but bears interest at six per cent. per annum from the dates of maturity of the respective coupons until paid. By means of this payment the "unstamped" certificates and heretofore undeposited bonds are placed upon the same footing as the "stamped" certificates.

‡ In order to "assent" holders of these receipts must present them for "stamping" as indicated on page 2 of plan.

¶ All existing receipts for these securities must be exchanged as indicated on page 2 of plan.



**The assessments** on the First, Second and Third Preference Income bonds on the stock and on the Deferred Income Bonds are :

20 per cent. on First, Second and Third Preference Incomes.

20 " " " Stock.

4 per cent. on Deferred Incomes.

**A Syndicate** has been formed by Messrs. J. P. Morgan & Co., J. Kennedy Tod & Co., Hallgarten & Co., and A. Iselin & Co., which definitely agrees :

1. To underwrite the payment of the assessments on the Income bonds and Stock of the present Railroad Company, the Syndicate to acquire all the rights of holders of Income bonds and Stock who shall not deposit their stock and pay the assessments thereon.
2. To take \$4,000,000 of the new General Mortgage bonds and \$8,000,000 " " " First preferred stock.
3. To guarantee the extension or payment of the Improvement Mortgage bonds and of the Coal and Iron Company bonds, most of which will mature within the next two years.

The financial requirements, not only of the reorganization, but of the New Company, as stated above, are thus fully provided for.

The compensation to Messrs. J. P. Morgan & Co. for their services as Managers of the plan and to their above-named associates in the formation of the Syndicate, has been fixed at \$650,000 in addition to all expenses incurred.

### **CASH REQUIREMENTS AND PROVISION THEREFOR.**

The estimated requirements of the plan (including General Mortgage interest up to January 1, 1896) are as follows :

Floating Debt.....	\$3,800,000 00	
Receivers' Certificates.....	3,800,000 00	
Car Trust and Equipment Notes.....	7,300,000 00	
Equitable Interest Certificates and Accrued Interest on unstamped General Mortgage Trust Certificates and non-deposited General Mortgage Bonds, about.....	6,250,000 00	
Arrearages of Sinking Fund, Divisional Coal Mortgages.....	2,000,000 00	
Reorganization and other expenses, including commissions to Bankers, unforeseen items, etc. (any surplus to go to new Company).....	2,000,000 00	
	<hr/>	\$25,150,000 00
The assessments will yield.....	\$20,862,289 00	
The Syndicate will contribute in cash.....	7,300,000 00	
	<hr/>	28,162,289 00
Leaving an estimated cash balance of about.....		\$3,000,000 00
to be used for the purposes of the new Company.		<hr/>

### POSITION OF NEW COMPANY.

The annual fixed charges of the reorganized system (see Appendix, Table B) will be about \$9,300,000. An almost immediate reduction of nearly \$500,000 per annum in these fixed charges will, however, be effected through the refunding or extension by the syndicate at 4 to 4½ per cent. of some \$20,000,000 6 per cent. and 7 per cent. bonds shortly to mature, and the extension already effected by the Receivers, at 4 per cent., of \$1,500,000 North Pennsylvania bonds which now bear 7 per cent.

The net earnings of the system for the past four years, terminating November 30th, were :

1892.....	\$12,472,190 61
1893.....	11,172,690 56
1894.....	9,839,971 32
1895 (estimated as to November).....	9,624,123 00

Except for the annual interest charge of about \$105,000, which is now being created through the construction, in connection with the City of Philadelphia, of the Pennsylvania Avenue subway in that city, and the further interest obligations which may gradually arise through the yearly issuance of not exceeding \$1,500,000 of new General Mortgage 4% Bonds for new construction, betterments, etc. (as hereafter required to develop the business), no reason is believed to exist for any increase in the fixed charges of the Reorganized Company.

The New Company will start without floating debt and will be relieved from the embarrassment of Car Trusts which during the last five years have absorbed upwards of \$4,500,000 from its net income, which otherwise might have been free to conserve the property. These Car Trusts, unless provided for, as a part of a comprehensive plan of reorganization, will further absorb over \$7,300,000 additional in the next five years. The new fixed charges will be well within the net income of the system even in the past years of extreme depression, and the New Company will start not only with a substantial working cash capital, but also with power to provide facilities for the increase of business.



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# APPENDIX.

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# APPENDIX.

## TABLE A.

### Present Annual Fixed Charges.

The present fixed charges of both Companies aggregate \$10,035,073, made up as follows:

Interest on Prior Liens including interest on Bonds and Mortgages on Real Estate	\$2,666,509
Interest on General Mortgage Bonds	1,788,607
Interest on Terminal Loan	425,000
Rentals (about)	2,876,040
Interest Coal & Iron Co.	1,051,017
Taxes	350,000
	<hr/>
	\$9,157,173
Interest on floating debt and Receivers' certificates	441,940
Interest on Car Trusts and Equipment Notes	435,960
	<hr/>
<i>Total present Fixed Charges</i>	<u><u>\$10,035,073</u></u>

## TABLE B.

### Annual Fixed Charges After Reorganization.

	Capital.	Interest.
Prior Mortgage Loans	\$5,241,700	\$286,357
Cons. Mortgage Loan, 1871-1911	18,811,000	1,235,150
Improvement Mortgage Loan	9,364,000	561,840
Cons. Mortgage Loan, 1882-1922	5,768,577	288,375
General Mortgage Loan	44,715,188	1,788,607
“ “ “ \$4,000,000, new	4,000,000	160,000
Terminal R. R. Loan	8,500,000	425,000
Collateral Sinking Fund Loan	1,831,000	91,550
Bonds and Mortgages on Real Estate	3,532,896	203,237
Taxes		350,000
Rentals (about)		2,876,040
Coal and Iron Co. Divisional and Real Estate Mortgages	12,383,608	743,017
do. Coal Trust Certificates	4,300,000	258,000
do. Commission of Finance Co. of Pennsylvania		50,000
		<hr/>
<i>Total new Fixed Charges</i>		<u><u>\$9,317,173</u></u>
<b>Decrease in Annual Fixed Charge</b>		<u><u>\$717,900</u></u>

TABLE C.

## Schedule of Securities not disturbed by the Reorganization.

## Prior Mortgage Loans, viz.:

First Mortgage 6% £500 Conpon Bonds.....	\$967,200
First Mortgage 6% \$1,000 Coupon Bonds.....	545,500
Mortgage 6% \$1,000 Coupon Bonds.....	795,000
Mortgage 6% \$1,000 Coupon Bonds.....	92,000
Mortgage 6% \$1,000 Coupon Bonds.....	67,000
Mortgage Convertible 4½% Coupon Bonds.....	1,000
Mortgage Convertible 4½% \$500 and \$1,000 Coupon Bonds.....	78,000
Mortgage 5% \$1,000 Gold Coupon Bonds.....	2,696,000
	<hr/> \$5,241,700
Consol. Mortgage Loans (\$8,162,000 @ 6% ; \$10,649,000 @ 7%).....	\$18,811,000
Improvement " (6%).....	9,364,000
Income " (7%).....	1,000
Consol. Mortgage of 1882 (1st Series 5% Gold).....	5,767,042
" " 1883 (2d " 5% " ).....	1,535
Bond and Mortgages on Real Estate.....	3,532,896
5% Collateral Sinking Fund Loan of 1892.....	1,831,000
	<hr/> 39,308,473
	<hr/> \$44,550,173
5% Terminal bonds.....	8,500,000
Coal and Iron Company bonds.....	12,383,608
	<hr/> \$65,433,781
	<hr/>

**TABLE D.****ADDITIONAL SECURITIES TO GO UNDER NEW GENERAL MORTGAGE, VIZ.:****Securities now embraced in Collateral Trust.**

	<i>Shares.</i>
Allentown Railroad Company.....	21,479
Atlantic City Railroad Co., preferred.....	19,046
Atlantic City Railroad Co., common.....	23,972
Camden County Railroad Company.....	1,039
Catasauqua and Fogelsville Railroad Co.....	10,135
Catawissa Railroad Co., first preferred.....	228
Catawissa Railroad Co., second preferred.....	310
Central Dock and Terminal R. R. Co.....	1,816
Chester and Delaware River R. R. Co.....	750
Colebrookdale R. R. Co.....	5,601
Delaware River Ferry Co. of New Jersey.....	4,992
East Mahanoy R. R. Co.....	5,646
East Pennsylvania R. R. Co.....	17,555
Gettysburg and Harrisburg Railway Co.....	10,807
Junction Railroad Company.....	1,718
Locust Gap Improvement Co.....	2,000
Middletown and Hummelstown R. R. Co.....	3,473
Mine Hill and Schuylkill Haven R. R. Co.....	1,620
Mill Creek and Mine Hill Navigation and R. R. Co.....	1,919
Mount Carbon and Port Carbon R. R. Co.....	768
Norristown Junction R. R. Co.....	400
Northeast Pennsylvania R. R. Co.....	6,252
North Pennsylvania Railroad Company.....	2,576
Philadelphia, Reading and Pottsville Telegraph Co.....	369
Philadelphia and Chester Valley R. R. Co., preferred.....	4,102
Philadelphia and Chester Valley R. R. Co., common.....	9,054
Philadelphia, Harrisburg and Pittsburg R. R. Co.....	39,646
Pickering Valley R. R. Co.....	1,220
Reading and Columbia R. R. Co.....	15,726
Reading Iron Company.....	9,980
Rupert and Bloomsburg R. R. Co.....	960
Schuylkill and Lehigh R. R. Co.....	945
Schuylkill Valley Navigation and R. R. Co.....	1,238
Shamokin, Sunbury and Lewisburg R. R. Co.....	39,917



## BONDS.

	<i>Par Value.</i>
Locust Dale Coal Company.....	\$156,000
People's Railway Company.....	36,000
Perkiomen Railroad Company.....	161,100
Philadelphia, Reading and Pottsville Tel. Co.....	200,000
Philadelphia and Chester Valley R. R. Co., preferred.....	25,000
Philadelphia and Chester Valley R. R. Co., not preferred.....	47,000
Reading and Columbia R. R. Co. firsts.....	9,500
Reading and Columbia R. R. Co. seconds.....	35,000
Reading and Columbia R. R. Co. debentures.....	1,000,000
Schuylkill and Lehigh R. R. Co. firsts.....	93,900

## Securities in Treasury.

## WHEN ACQUIRED BY THE NEW COMPANY.

	<i>Shares.</i>
Danville and Shamokin R. R. Co.....	5,000
People's Railway Co., Pottsville, Pa.....	2,703
Philadelphia, Newtown and New York R. R. Co.....	500
do. preferred.....	7,500
Philadelphia Belt Line.....	1,560
Port Reading R. R. Co.....	15,650
Tamaqua, Hazleton and Northern R. R. Co.....	6,000

Also some other securities.

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AGREEMENT.

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**An Agreement**, made this 14th day of December, 1895, between FREDERIC P. OLCOTT, ADRIAN ISELIN, Jr., J. KENNEDY TOD, HENRY BUDGE, THOMAS DENNY, GEORGE H. EARLE, Jr., SIDNEY F. TYLER, SAMUEL R. SHIPLEY and RICHARD Y. COOK (hereinafter called the Committee), parties of the first part; the CENTRAL TRUST COMPANY OF NEW YORK, party of the second part; J. P. MORGAN & Co. (a copartnership hereinafter called the Managers), parties of the third part; and HOLDERS of receipts of the Central Trust Company of New York for general mortgage bonds, and HOLDERS of first, second and third preference income bonds secured by mortgages of the Philadelphia and Reading Railroad Company, and the Philadelphia and Reading Coal and Iron Company (hereinafter collectively called the Reading Companies), and HOLDERS of the stock and deferred income bonds of the Philadelphia and Reading Railroad Company, who shall become parties to this agreement (hereinafter called Depositors) of the fourth part.

**Whereas**, the parties of the first part, by an agreement dated May 7, 1894, known as the Bondholders' Agreement, were, by the subscribers to said agreement, holders of the four per cent. general mortgage bonds of the Reading Companies, appointed a committee for the reorganization of said Companies; and

**Whereas**, the plan set forth in this agreement has been proposed for the reorganization of the Reading Companies.

**This agreement witnesseth**, that each and every person or party who shall deposit with either of the banking copartnerships of J. P. Morgan & Co. in New York, Drexel & Co. in Philadelphia or J. S. Morgan & Co. in London, who are hereby appointed Depositaries hereunder, any first, second or third preference income bond, and any stock or deferred income bond of the Philadelphia and Reading Railroad Company, as hereinafter provided; and each and every holder of any Central Trust Company receipt for any General Mortgage Bond, stamped hereunder, as hereinafter provided, by any Depositary, HEREBY PROMISES AND AGREES to and with every other depositor and assenting receipt holder, and to and with the Depositaries, and to and with the Managers; and the Depositaries and the Managers do reciprocally promise and agree as follows:

FIRST. A printed copy of this agreement, signed by a majority of the Committee and by the parties of the second and third part hereto, and lodged with J. P. Morgan & Co., New York, shall be held and taken to be the original agreement. The foregoing plan is and shall be taken to be a part of this agreement, with the same effect as though each and every provision thereof had been embodied herein, and said plan and this agreement shall be read as parts of one and the same paper.

Holders of the deferred income bonds, stock, and first, second and third preference income bonds of the Philadelphia and Reading Railroad Company, or of any of them, may become parties to this agreement by depositing their securities with the Depositaries and paying the assessments thereon upon the terms and conditions specified in said plan and in this agreement, and within the periods limited in pursuance thereof.

Such holders must in all cases deposit the certificates for their stock, or their bonds, with such transfers, assignments and powers of attorney as may be required by the Managers in order to vest in them, and to enable them to transfer, the complete and absolute title to such stocks or bonds, and the Depositors agree respectively at any time on demand of the Managers to execute any and all other transfers, assignments or writings required for vesting the complete ownership of the bonds and stock deposited hereunder in the Managers or their nominee, or for the purpose of enabling the Managers to carry out the plan of reorganization.



All depositors of securities (excepting assenting Receipt holders as hereinafter designated) shall receive certificates of deposit in form to be approved by the Managers, specifying the securities deposited and assessments paid thereon, and all rights of such Depositors in respect of such deposits shall be such only as shall be evidenced by such certificates; and thereafter the holder of any such certificate, or of any certificate issued in lieu thereof or in exchange therefor, shall be subject to this agreement and entitled to have and exercise the rights of the original Depositor under the certificate issued to him in respect of the securities therein mentioned.

Holders of receipts of the Central Trust Company of New York for General Mortgage bonds deposited under the Bondholders' Agreement, dated May 7, 1894, may become parties hereto without the issue of new receipts or certificates therefor; provided, that within the period limited therefor such existing receipts be produced to one of the Depositaries and by such Depositary stamped as assenting to this plan and agreement. Holders of General Mortgage bonds not already deposited under the Bondholders' Agreement of May 7, 1894, shall, by the delivery of their bonds to the Depositaries, be deemed to have deposited their bonds under said Bondholders' Agreement, and for the bonds deposited will receive receipts of the Central Trust Company of New York, issued under that agreement, stamped by one of the Depositaries as assenting to this agreement. Receipts so stamped are hereinafter designated as "Assented receipts." All bonds represented by any such assented receipts shall by and from such stamping be subject to, and included within, the provisions of this agreement as fully and irrevocably as though directly deposited hereunder, and thereafter the Managers shall irrevocably possess and from time to time may exercise all rights of the holders of bonds represented by such receipts, subject to the terms thereof, including the right to vote in respect thereof, to approve any plan of reorganization including this plan, and to abandon or terminate the said former agreement and all further proceedings thereunder. The holders of stamped receipts are hereinafter designated "Assenting Receipt holders."

Such certificates of deposit and such assented receipts and the interests represented thereby, and all rights of the holders in respect of the deposited or assented securities and of the assessments paid thereon shall be transferable only subject to the terms and conditions of this agreement, and in such manner as the Managers shall approve; and upon such transfer the transferees and holders of such certificates of deposit or of such assented receipts shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of certificates of deposit or of assented receipts, shall be embraced under the term "Depositors," whenever used herein. Each certificate of deposit or assented receipt may be treated by the Committee, by the Managers and by the Depositaries as a negotiable instrument, and the holder for the time being may be deemed to be the absolute owner thereof, and of all rights of the original Depositor of the bond or stock or assessments in respect of which the same was issued, and neither the Depositaries nor the Committee nor the Managers shall be affected by any notice to the contrary. By accepting any such certificate, or by presenting any Central Trust Company receipt to be stamped hereunder, every recipient or holder thereof shall thereby become party to this agreement with the same force and effect as though an actual subscriber hereto. The term Depositor, as well as the term Assenting Receipt holder, whenever used herein, is intended and shall be construed to include not only persons acting in their own right, but also trustees, guardians, committees, agents, and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint stock companies and corporations. Until a deposit shall have been fully completed hereunder, and a certificate therefor actually issued to the Depositor, neither the Depositor, nor any one claiming under him shall have any right hereunder and then only as specified in such certificate; nor shall any Receipt holder have any right hereunder until his receipt shall have been stamped hereunder.

The Depositaries shall receive the deposited stocks and bonds, and shall deliver all deposited bonds to the Central Trust Company of New York, and all deposited stock to the Mercantile Trust Company, and the same shall be held by them respectively subject to the order and control of the Managers.

The Managers may, in their discretion, fix or limit the period within which holders of bonds or stock, or any class thereof, may deposit their securities, and within which they or holders of Central Trust Company receipts may become parties to this agreement, and the periods within which the assessments on the first, second and third preferred income bonds, stock and deferred income bonds must be paid, and, in their discretion, either generally or in special instances, may extend or renew the period so fixed or limited, on such terms and conditions as they may see fit. Holders of securities not deposited, or of Central Trust Company receipts not becoming parties hereto, in the manner herein provided, within the periods respectively fixed or limited therefor, will not be entitled to deposit the same or to become parties to this agreement, or to share in the benefits thereof, and shall acquire no rights thereunder, except by express consent of the Managers, and upon such terms and conditions as they may prescribe. Depositors of stock or bonds subject to assessment who shall fail to pay their assessments within such period as shall be fixed or limited, shall cease to be parties hereto, or to be entitled to any benefit hereunder, or in the securities deposited or assessments paid, and shall, without right of redemption, absolutely forfeit their bonds or stock deposited, together with any part of the assessments paid thereon, and the Managers may sell the same, or the new securities which may be issued in respect thereof, to any purchaser paying such amount as the Managers may determine, and the proceeds thereof may be used for any of the requirements of carrying out said plan and as a reserve for the uses of the new company. The Managers may, however, in their discretion, on such terms as they shall see fit, waive any such forfeiture or condone any failure to pay any assessment within the period prescribed therefor.

The Managers may, in their discretion, for the purpose of carrying out the plan, call in for deposit any of the undisturbed bonds mentioned in the plan, and may cause any mortgage securing the same to be foreclosed, and may cause other similar bonds having similar security to be issued in exchange for such bonds.

SECOND. The Depositors and Assenting Receipt holders hereby irrevocably request the Managers to endeavor to carry into practical operation this agreement, including the foregoing plan of reorganization in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Managers shall deem to be for the best interests of the Depositors and Assenting Receipt holders or of the properties finally embraced in the plan of reorganization. Each and every Depositor and Assenting Receipt holder, for himself and not for any other, does hereby sell, assign, transfer and set over to the Managers as copartners, and to the survivor and survivors of them and to their successors, each and every bond, share of stock, security or obligation or evidence thereof deposited hereunder, or represented by an assented receipt, and every Depositor and Assenting Receipt holder hereby agrees that the Managers shall be and they are hereby vested with all the power and authority of owners of the stock, bonds, securities and obligations deposited hereunder, or represented by such assented receipts, with full right to transfer the same into their own name, as a copartnership and as Managers, or into the name of any other person or persons whom they may select; to vote thereon at any meeting of stockholders or bondholders or creditors; to use every such stock, bond, receipt, security or obligation as fully and to the same extent as the owner or holder thereof; to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy to vote at, any and all meetings of stockholders or bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust or lease or under any provision thereof; to purchase at such prices as they shall deem proper, or to pay, compromise or settle with the holders of, any coupons, notes or other indebtedness or obligations of any of the Reading Companies, or any Receiver's certificates or obligations issued or which may be issued or incurred by the Receivers thereof, and to apply for that purpose any moneys received



from assessments under the plan or which may otherwise be received or raised by the Committee or by them; to borrow money for any of the purposes of this agreement, and to charge or pledge any deposited securities, property purchased or new securities to be issued, for the payment of any moneys borrowed; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder or any part thereof; to institute or to become parties to any legal proceeding which could be instituted by any Depositor, any Assenting Receipt holder, or any corporation, or any officer of any corporation whose stocks or bonds or other obligations (or any part thereof) are deposited hereunder, and to participate in any and all legal proceedings now existing; to apply for receivers, or the removal of receivers and the substitution of other receivers, or for the termination of any receivership and the delivery of any property to its owners; to enter into settlement of any litigation now or at any time existing or threatened in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the purposes of the Committee or of the Managers; to do whatever, in the judgment of the Managers, may be necessary to promote or to procure joint or separate sales of any property or franchise herein concerned, wherever situated; to adjourn any sale of any property or franchise, or of any portion or lot thereof at discretion; to bid, or to refrain from bidding, at any sale, either public or private, either in separate lots or as a whole, for any property or franchises or any part thereof, whether or not owned, controlled or covered by any deposited security, or by the bonds represented by any Receipt stamped hereunder, including or excluding any particular rolling stock, or other property, real or personal, and at before, or after, any sale, to arrange and agree for the resale of any portion of the property which they may decide to sell rather than to retain; to hold any property or franchises purchased by them either in their name or in the name of persons or corporations by them chosen for the purposes of this agreement, and to apply any security deposited hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; and the term property and franchises shall include any and all railroads, railroad and other transportation lines, leaseholds, lands, rights in lands, mining rights, stocks, or other interests in corporations, in which the Reading Companies or any of them have any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Managers for any property or franchises shall be absolutely discretionary with them; and, in case of the sale to others of any property or franchises, the Managers may receive out of the proceeds of such sale or otherwise any dividend in any form accruing or any securities held by them.

THIRD. The Managers may procure the organization of one or more new companies, or they may adopt or use any existing or future companies, and they may cause to be made such consolidations, leases, sales or other arrangements, and may make or cause to be made such conveyances or transfers of any properties or securities acquired by them, and take such other proceedings as they may deem proper for the purpose of creating the new securities provided for in the plan and for carrying out all or any of the provisions thereof, or for attaining any object sought to be accomplished thereby, even though not therein specifically declared.

FOURTH. The Managers may construe this agreement (including the plan of reorganization); and their construction thereof or action thereunder, in good faith, shall be final and conclusive. They may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and they shall be the sole judge of such necessity. They shall be the sole and final judge as to when and whether the assent of enough parties interested in the Reading Companies shall have been obtained to warrant them in carrying the same or any part into effect, and they shall have power whenever they shall deem proper, to abandon or to alter, modify or depart from, the plan of reorganization, or any part thereof. They may at any time or times after any such partial abandonment, restore to the plan any abandoned part or parts thereof, and may seek to carry the same into effect, as fully

as if such part or parts had not been abandoned. They may also attempt to carry the plan into effect rather than abandon or modify the same, even though it be manifest that as carried out the plan must depart from the original plan or from some part thereof. But in case of any intentional change or modification or departure from the plan, which in their judgment shall materially affect any of the several classes of Depositors, or their mutual relations, a statement of such proposed change, modification or departure shall be filed with the Depositaries, and notice of the fact of such filing shall be given as hereafter provided in Article Twelfth; and, within two weeks after final publication, all holders of the outstanding certificates for such particular class or classes of securities affected thereby may surrender their respective certificates therefor and withdraw securities of such particular class or classes, or the proceeds thereof or substitutes therefor then under the control of the Managers, to the amount indicated in such certificates, and all Assenting Receipt holders may require cancellation of their assent and release herefrom of the securities represented by their assented receipts, provided, however, that in every case of withdrawal or cancellation the certificates holders or the assenting receipts holders shall respectively make payment of their ratable shares of the expenses of the Committee and of the Managers as apportioned by the latter. Every Depositor of securities not so surrendering and withdrawing, and every Assenting Receipt holder not withdrawing his assent, within such two weeks after final publication, shall be deemed to have assented to the proposed changes or modifications, and, whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modifications finally made by the Managers shall be part of this agreement; and all provisions and references concerning the plan shall apply to the plan so changed or modified. In case the Managers shall finally abandon the entire plan, the stocks and income bonds deposited hereunder, or their proceeds, or any stock, bonds, securities or claims representative thereof, then under the control of the Managers, shall be delivered to the several Depositors in amounts representing their respective interests upon surrender of their respective certificates and payment of such actual expenses as shall have been incurred by the Committee and Managers, which latter shall have power to determine and to apportion upon the several classes of securities deposited hereunder the ratable share of expense to be borne by each security. In such case the assessment moneys paid by the Depositors, or any coupons, notes, Receivers' certificates or other claims or property acquired therewith, or the proceeds thereof when received, shall be distributed or equitably adjusted among the respective holders of the receipts or certificates of deposit for stock or securities assessable under the plan, in proportion to the amount of the assessment moneys paid thereon respectively. In like manner, and upon like payment of expenses, the assent on assented receipts shall be cancelled by the Managers, and until so cancelled the General Mortgage bonds represented by each receipt shall be subject to their ratable share of such expenses.

FIFTH. The Managers may proceed under this agreement or any part thereof with or without foreclosure, and in case of foreclosure may exercise any power, either before or after foreclosure sale; and in any case all the provisions of the plan and agreement shall equally apply to and in respect of any physical properties embraced under the reorganization, and to and in respect of any securities representing any such property, it being intended that for all purposes thereunder any such property, and any security representing such property, may be treated or accepted by the Managers as substantially identical. In case any separate plan shall, in the opinion of the Managers, become necessary or expedient to effect the reorganization of any subordinate company, the Managers may promote and participate in any such reorganization and may deposit thereunder any securities thereby affected.

In case of any claim, lien or obligation not herein fully provided for and affecting the Reading Companies or either of them, or any property or franchises thereof, the Managers may from time to time (subject, however, to Article Sixth hereof) make such compromise in respect thereto or provision therefor as they may deem suitable, using therefor any securities not expressly required for settlement with



Depositors, or not expressly reserved for liens or obligations specified in the plan, but the total amount of new securities to be created as set forth in the plan shall not be thereby increased.

Any action contemplated in the plan or agreement to be performed on or after completion and reorganization may be taken by the Managers at any time when they shall deem the reorganization advanced sufficiently to justify such course, and the Managers may defer, as they may deem necessary, the performance of any provision of the plan or agreement, or may commit such performance to the new company.

SIXTH. The Managers may from time to time make contracts with any person, syndicate or corporation, for the purpose of carrying this agreement into effect. The Managers may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by them deemed reasonable for the purposes of this agreement. They may prescribe the form of all securities and of all instruments at any time to be issued or entered into under this agreement. They may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder, excepting that any appointment in lieu of, or in succession to, Mr. Frederic P. Olcott, prior to the actual reception of stock by the Voting Trustees, shall be made by the Committee. They may, at public or private sale, or otherwise, dispose of any securities of the new company left in their hands because of any failure to make deposits hereunder. In so disposing of any such new securities, thus left on their hands, they may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as they may deem expedient and advisable. At the time of the creation of the new securities or as soon thereafter as may be, the Managers may take such action (either by creating lesser amounts of securities, or otherwise) as they may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of the plan.

SEVENTH. The Managers shall act as a copartnership. Neither the Committee nor the Managers nor the Depositaries assume any personal responsibility for the execution of the plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof, the Managers, however, undertaking in good faith to endeavor to execute the same. No member of the Committee, nor any Depositary, nor the Managers, shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his, its or their own individual wilful malfeasance or neglect; and no member of the Committee shall in any case be personally liable for the act or omission of any other member, nor for the acts of any Depositary or of the Managers, nor shall any Depositary or the Managers be personally liable for the acts or defaults of the Committee or of any Trust Company. The Managers may act through any committees or agents and may delegate any authority, as well as discretion, to any such committee or agent, and the members of such committee or such agents may be allowed a reasonable compensation for their services hereunder. Any member of the Managers or Depositaries, or any member of the Committee, at any time, may be a Voting Trustee, and may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including participation in or under any syndicate agreement, whether or not mentioned in the plan. Any direction given by the Managers shall be full and sufficient authority for any action of the Depositaries or of any Trust Company or other custodian or for any committee or agent.

The Committee shall be entitled to reasonable compensation. It may discharge any and all reasonable expenses by it incurred for any of the purposes of this agreement or of the agreement of May 7, 1894. Its accounts shall be filed with the President of the United States Trust Company, and, when audited and approved by him, shall be final and conclusive upon all parties having any interest therein. The compensation of the Committee and its expenses shall be paid as part of the expenses of the reorganization.

EIGHTH. The Managers may negotiate and contract with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other convenience which they

may deem necessary or desirable to obtain or to grant, and may make contracts therefor binding upon such new company, and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in their opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting the Reading System, or which the Reading Companies or any subordinate company has contracted to acquire, or to prevent or avoid opposition to or interference with the successful execution hereof.

NINTH. The accounts of the Managers shall be filed with the Board of Directors of the new company within one year after its organization shall have been completed, unless a longer time be granted by the said Board. The accounts, when audited and approved by such Board of Directors, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Managers shall be discharged. The acceptance of new securities by any Depositor or any Assenting Receipt holder shall estop such acceptor from questioning the conformity of such securities in any particular to any provisions of said plan; and the acceptance of new securities by a majority in amount of any class of Depositors or by a majority of Assenting Receipt Holders, shall in each case respectively estop all Depositors of such class and all of the Assenting Receipt Holders.

TENTH. The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Managers, and each Depositor hereunder and each Assenting Receipt holder hereby confers on the Managers, in respect of all securities deposited or to be deposited, or securities represented by assented receipts, and in all other respects, any and all powers which they may deem necessary or expedient, in or towards carrying out or promoting the purposes of this agreement in any respect, even though any such power be apparently of a character not now contemplated; and they may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, they may deem expedient. The methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Managers.

The bonds deposited under this agreement, or represented by assented receipts, and all Receivers' certificates, coupons and claims purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by any delivery of new securities; and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any judgment upon any of such claims, including claims and judgments for deficiencies, and all liens and equities, shall remain unimpaired, and may be enforced by the Managers or by the new company or other assigns of the Managers until paid or satisfied in full or expressly released. Neither the Managers nor any bondholders or creditors of either of the Reading Companies, by executing this agreement, or by becoming parties thereto, release, surrender or waive any lien, right or claim in favor of any stockholders or other parties interested in such company, and all such liens, rights or claims shall vest unimpaired in the Managers and in the new company, or its assigns, severally and respectively; and any purchase or purchases by or on behalf of the Managers, or the new company, under any decree for the enforcement of any such lien, right or claim shall vest the property purchased in the Managers or the new company, free from all interest or claim on the part of any such stockholders or other parties.

ELEVENTH. No estimate, statement, explanation or suggestion contained in the foregoing plan, or in any circular issued, or which may hereafter be issued by the Depositaries or by the Committee or by the Managers, is intended or is to be accepted as a representation or warranty, or as an essential condition of deposit thereunder, and no defect or error therein shall release any deposit thereunder, or affect or release any assent thereto, except by consent of the Managers. Any moneys paid under or with



reference to said plan or this agreement shall be paid over by the Depositaries to the Managers as bankers, and shall be applicable for any of the purposes of the plan and agreement as may be most convenient, and as may from time to time be determined by the Managers, whose determination as to the propriety and purpose of any such application shall be final, and nothing in said plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. No liability in respect or in favor of any bonds, stocks, obligations, securities or debts not actually brought within the provisions of this agreement by deposit or assent, as aforesaid, nor in favor of any lease contract, guarantee or other form of liability, is assumed hereunder, or by or for any new company (notwithstanding any mention thereof for estimate in respect thereto, or reservation of securities to provide therefor, in said plan), nor is any trust in their favor created or impressed upon any deposit or payment hereunder, or upon any securities to be issued under the plan. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the plan, either as proposed or carried out, or any securities held as collateral for any such obligation, may be acquired or extinguished or held by the Managers at such times, in such manner and upon such terms as they may deem proper for the purposes of reorganization, but nothing contained in the plan or in this agreement is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

TWELFTH. All calls for the presentation of receipts for stamping, for the deposit of bonds and stocks, for the payment of assessments, or for the surrender of certificates; all notices fixing or limiting any period for the deposit of securities or for the payment of assessments, or for the presentation of receipts for stamping and all other calls or notices hereunder, shall, except when otherwise provided, be inserted in the *New York Times* and the *New York Tribune*, or in two other daily papers of general circulation published in the City of New York, and in the *London Times* and *News*, or in two other daily papers of general circulation published in the City of London, and in the *Philadelphia Ledger* and *Record* or in two other daily papers of general circulation published in the City of Philadelphia, twice in each week for two successive weeks, beginning on any day of the week. Any call or notice whatsoever, when so published by the Managers, shall be taken and considered as though personally served on all parties hereto, and upon all parties bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this agreement and plan.

THIRTEENTH. This agreement shall bind the Managers and the Depositors hereunder, their and each of their survivors, heirs, executors, administrators, successors and assigns.

FOURTEENTH. The Committee approves the foregoing plan, and in the event that the Managers shall obtain the assent thereto, as therein provided, of the holders of the receipts of the Central Trust Company for two-thirds in amount of the general mortgage bonds deposited under the Bondholders' Agreement of May 7, 1894, the Committee will, at the request of the Managers, terminate said Bondholders' Agreement, provided that their approval of said plan shall have been confirmed by the holders of a majority of two-thirds in interest of the receipts of the Central Trust Company for general mortgage bonds, present or represented at a regularly called meeting held under the provisions of said Bondholders' Agreement of May 7, 1894.

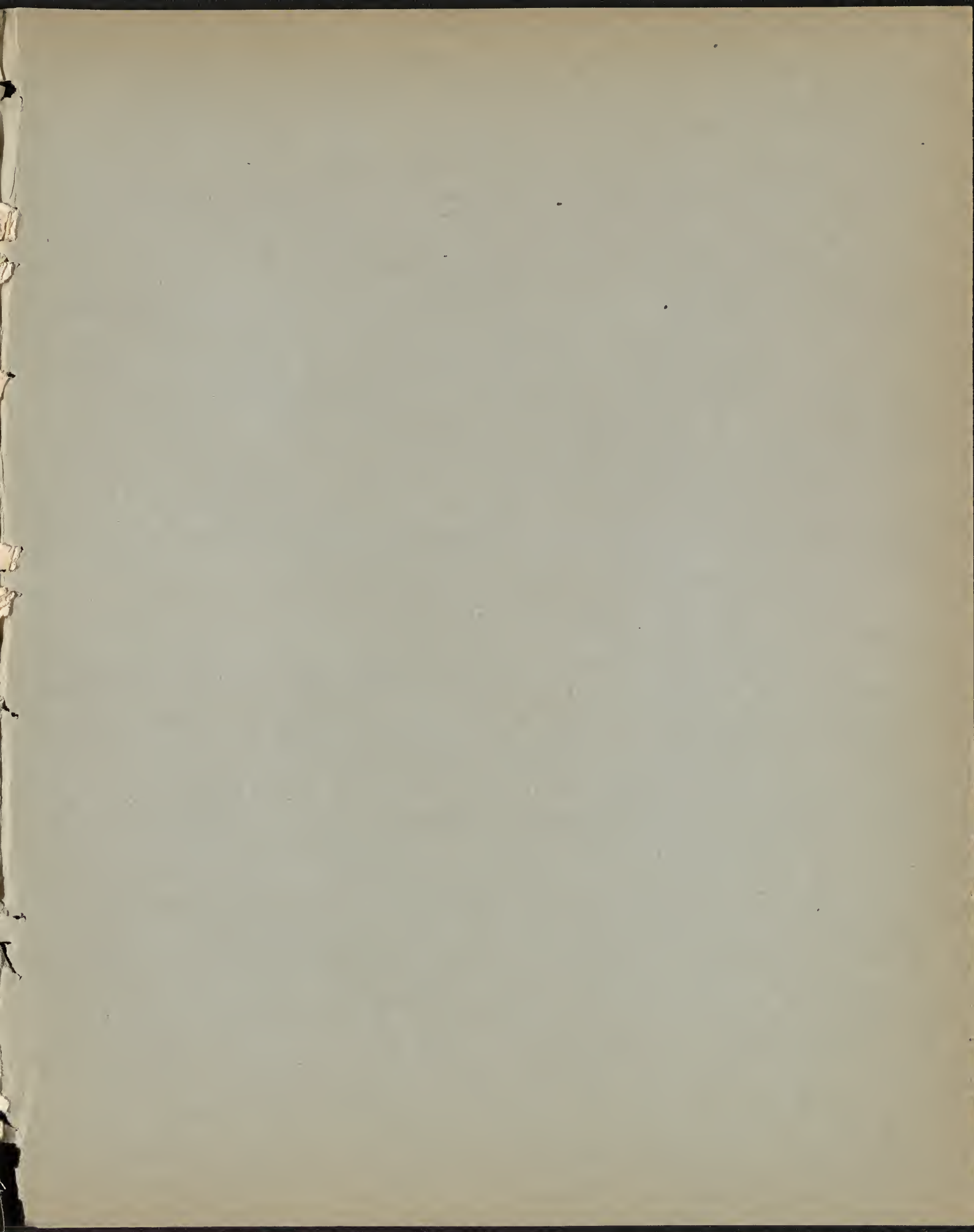
FIFTEENTH. In order fully to subject to every provision of this agreement all general mortgage bonds represented by Central Trust Company stamped receipts, and to obtain therefor all benefits hereunder, the Central Trust Company of New York becomes a party hereto, and each assenting receipt holder hereby confers upon it full power and authority, upon the termination of the said Bondholders' Agreement of May 7,

1894, in accordance with the foregoing article hereof, to hold subject to this agreement the general mortgage bonds represented by any such stamped receipt, and full power and authority from time to time thereafter to make, execute and perform (such power and authority by it to be exercised when requested by the Managers), such further or other instruments, agreements and transfers as may be required hereunder in respect of any bonds represented by any such stamped receipts.

**In witness whereof**, a majority of the Committee and the Managers and the Central Trust Company of New York have hereunto signed their names, and all other parties hereto have deposited securities or have presented receipts for stamping, as above set forth.









**PLAN AND AGREEMENT FOR THE  
REORGANIZATION**

OF THE

**SIX PER CENT. COLLATERAL NOTE TRUST**

OF

**THE UNION PACIFIC RAILWAY COMPANY**

of September 4, 1891.

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DATED DECEMBER 14, 1896.

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JOHN G. MOORE,  
JAMES W. ALEXANDER, } Committee.  
EDWIN F. ATKINS, }

ALVIN W. KRECH,  
*Secretary.*

**DEPOSITARIES:**

The Mercantile Trust Co. of New York.

The American Loan and Trust Co. of Boston.





**AN AGREEMENT** for the reorganization of the securities and properties held in the Six Per Cent. Collateral Note Trust of the Union Pacific Railway Company, dated September 4th, 1891.

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**This Agreement**, made this 14th day of December, 1896, between JOHN G. MOORE, JAMES W. ALEXANDER and EDWIN F. ATKINS, parties of the first part, hereinafter called the "Committee," and such holders of the Six Per Cent. Collateral Trust Notes of the Union Pacific Railway Company, issued under the Trust Indenture of September 4th, 1891, as shall deposit their notes under and in pursuance of this agreement, parties of the second part, hereinafter called the "Depositors."

The object of this agreement is to authorize and empower the "Committee" to reorganize the securities and properties held in the Six Per Cent. Collateral Note Trust of the Union Pacific Railway Company by causing the securities held in the said trust to be foreclosed and sold for account of the obligations which they secure, and by forming or causing to be formed a corporation for the purpose of holding the said securities and properties and selling and applying the same from time to time for the purposes and objects set forth in this agreement.

**Now, therefore, this Agreement Witnesseth :**

That the "Depositors" and each of them, each, however, promising for himself and none for the others, who shall de-

posit any of the said collateral trust notes with the depositaries hereby provided, hereby promise and agree to and with the "Committee," as follows :

**First. Deposit of Securities.**

1. The securities to be deposited under this plan are the six per cent. collateral trust notes, issued under the Union Pacific Railway Company's Trust Indenture, dated September 4th, 1891.

2. The following are the designated depositaries of the "Committee":

The Mercantile Trust Company, of New York.

The American Loan and Trust Company, of Boston.

3. The receipts or certificates of deposit, in form to be approved by the Committee, shall be given to the "Depositors" and thereafter the then holder of any such receipt or certificate, or of any receipt or certificate issued in lieu thereof, or in exchange therefor, shall be subject to this agreement and bound by its terms and conditions.

4. "Depositors" must in all cases, when required, execute with their deposited notes such transfers, assignments or powers of attorney as may be required by the "Committee" in order to invest in the "Committee" the complete and absolute title to all notes deposited, and the right to demand and receive all amounts due on the said notes, whether for principal or for interest.

The "Committee" shall have the power to fix the time for the deposit of the said notes, to refuse to accept the same on deposit after such time, to waive and remit the failure to make such deposits, if they deem such action proper, to impose terms upon which deposits may be made

after the expiration of the time fixed, and to refuse to accept deposits on any terms whatever after such time.

All rights under this agreement are for the benefit of all depositors under this plan. Holders of notes who shall not deposit within the period as limited or extended by "The Committee" shall be entitled to no rights hereunder.

### **Second. Interest Payments and Redemptions.**

Interest received by the "Committee" upon deposited notes during the pendency of the plan will be paid over to the holders of the corresponding certificates of deposit issued by the "Committee."

In the event that any of said notes shall be redeemed and paid by the Trustees pursuant to the provisions of the indenture securing the same, the proceeds of such redemption and payment shall be turned over to the holder or holders of the "Committee's" certificates representing such redeemed notes, and said certificates shall be surrendered to the "Committee" for cancellation.

### **Third. Powers of the Committee:**

"The Committee" shall have and exercise the following powers:

1. The power to take all action under the said trust indenture of September 4th, 1891, which the depositors themselves might have taken.

2. The power to institute, prosecute, discontinue or become parties to any proceedings in which the holders of the notes could take such action, or in which they may have any interest.

3. The power to consent to or dissent from any action of



the Trustees or Committee under the indenture of September 4th, 1891.

4. The power to direct the said Trustees or Committee to institute any action at law or suit in equity or, without such action at law or suit in equity, to exercise the power of foreclosure and sale contained in the said indenture of September 4th, 1891, for the foreclosure of the pledge of the collateral securing the said notes, or to require the said Trustees or Committee to take any action by way of foreclosure of the properties covered by the collateral securities held under their indenture of trust or to take any steps or proceedings whatever authorized by the said indenture of trust which the said "Committee" may deem to be for the benefit and advantage of the "Depositors," with power to approve of the sale of said collaterals in parcels or in bulk ; to consent to the adjournment of any time fixed for the sale thereof, or to refuse such consent. The power to consent to the sale or sales of any particular collateral security at private sale, if such sale or sales should be deemed advantageous by the "Committee," and to purchase or refrain from purchasing any securities so sold.

5. The power at any public sale of the collateral held in the said trust to bid for all of the said collateral or for any part thereof, or to refrain from so bidding.

6. The power to apply all the deposited notes in satisfaction or part satisfaction of any bid for collateral purchased by the "Committee" under this agreement, or to pledge such notes for the purpose of obtaining funds to be applied to the satisfaction of said bid.

7. The power to receive from the Trustees and the Committee under the said trust indenture any moneys in their

hands which may appertain to the deposited notes by way of interest or for the account of principal.

8. The power to consent to any settlement or adjustment of any litigations or claims which may now exist, or which may hereafter arise, affecting said trust or any of the securities held therein.

9. The power to consent that all or any of the said securities may be deposited under the plans for reorganization of the properties represented by the said securities against proper receipts to be taken on such deposit.

The power to consent to the payment of any assessment which may be imposed upon any of the said securities under such plan of reorganization ; such payment to be made either by the Committee or trustees who now hold the said securities, or directly by this "Committee."

The power to approve of the securities to be issued in exchange for the securities so deposited and for the assessment so paid.

10. The power to cause the formation of one or more corporations which shall have and exercise the following powers:

A. To take and hold the securities purchased by the "Committee" and such other securities and property as such corporation or corporations may acquire.

B. The power to make a collateral mortgage or mortgages, and to secure the same by the deposit of the securities so purchased, together with such other general and specific powers as the "Committee" may deem necessary to enable the said corporation or corporations to carry the purposes of this plan into full effect.

C. And such further powers as in the judgment of the committee may secure all desirable latitude in the transaction of the business and affairs of such new company or companies, with respect to said securities or to such other securities or property as may be acquired by them.

11. The power to make any contract or arrangement with any committee, corporation or syndicate for any of the purposes of this plan including the purpose of guaranteeing the payment, purchase or satisfaction of such of the Six Per Cent. Collateral Trust Notes as may not be deposited under this plan, or any part of the same.

12. The power to employ counsel, agents, clerks, officers, or hire offices and generally to incur any expense which the "Committee" deem necessary to carry this agreement into effect.

13. The said "Committee" shall have a general discretion to exercise any power or to adopt any measures or take any proceedings which it deems essential and necessary for the success of this plan, and the enumeration of specific powers herein made shall not be admitted or taken to restrict or affect the general discretionary power hereby given.

#### **FOURTH : Securities of the New Company and their distribution.**

A new company shall be formed which shall be called The Union Pacific Securities Company.

It may issue the following securities :

## Five Per Cent. First Mortgage, Twenty-five

Years, Gold Bonds. ....	\$10,000,000
Stock, 50,000 Shares, \$100 each. ....	5,000,000
	<hr/>
	\$15,000,000

The said new company shall make a collateral mortgage to be secured by the deposit of the collateral held under the trust indenture of September 4th, 1891, or such portions of the said collateral as may be purchased by the said "Committee." Such mortgage shall be made to The Mercantile Trust Company as Trustee, and the bonds to be issued under said mortgage are not to exceed in all the sum of \$10,000,000.

The said Collateral Mortgage shall contain provisions giving power to the new company, with the consent of the Trustee of the mortgage, to become a party to any reorganization plan of any railway or other corporation whose securities are included in the collateral deposited under such mortgage, and the said new company, with the consent of the said Trustee, expressed in writing, shall have power to deposit such securities with any reorganization committee and shall be authorized to receive, in lieu of the securities so deposited, the new securities which are to be issued under such reorganization plan.

It shall also contain proper clauses empowering the new company, with the consent of the Trustee of the mortgage, to pay any assessment required for the protection of the securities deposited under the mortgage in order to enable the same to share in the benefit of such plan or plans of reorganization and to accept with the like consent, in lieu of the amount paid for such assessment or assessments, the securities applicable to such payments under such plan or plans.

All new securities received for securities deposited, and all securities received against payment of assessments are to be deposited with the Trustee of the said mortgage.



The said mortgage shall contain the usual provisions investing in the Trustees the right to foreclose the securities pledged, and to sell such securities without foreclosure at public or private sale.

The said mortgage shall also contain a provision that, if the new company shall make default in the payment of any coupon or coupons appertaining to its bonds, the Trustee of the said mortgage shall thereupon have the sole and exclusive power to collect the income accruing upon any of the collateral embraced in the said mortgage, and shall apply the same to the interest accruing upon the said bonds.

The proceeds of the sale of any of the collateral security shall be applied to the purchase in the market of bonds issued under the said mortgage, provided such bonds can be purchased at a price not to exceed 105. All such proceeds shall be applied to the redemption of any of the outstanding bonds at a price not to exceed 105 and interest. The Trustee of the mortgage shall at all times have power to select bonds by lot and redeem the same at 105 and interest. It shall also have the power to give public notice, by such advertisement as it shall deem sufficient, and bonds bearing such numbers as are specified in the notice as having been drawn will be paid on the date named at the office or financial agency of the Company, and interest upon the said bonds shall thereafter cease.

Said mortgage shall contain such other further and general provisions as shall, in the judgment of the "Committee," be proper and suitable to the protection and security of the bondholders and to the purposes of this plan.

After all the bonds outstanding shall have been redeemed and paid, the mortgage shall be canceled, and the security, if any remaining, shall be delivered to the Corporation.

The new company shall have no power to sell or dispose of any collateral covered by the said mortgage, except with the written consent of the Trustee thereof.

The \$5,000,000 of the stock issued to the new company shall be first issued to the "Committee" or the Chairman thereof.

The Board of Directors of the New Company shall consist of such number of members as shall be fixed by the "Committee," which shall designate the persons who shall constitute the first board.

The "Committee" may, in its discretion, in lieu of causing a new Company to be formed, adopt, for the purposes of this Agreement and Plan, an existing Company with appropriate powers, and in such case all provisions hereof relating to the powers, action and functions of the new Company shall apply to the existing Company so adopted.

#### **Fifth. Distribution of Securities.**

The said securities to be issued by the New Company shall be exchanged for Receipts or Certificates issued by the "Committee" representing the collateral six per cent. notes deposited under this plan on the following basis of exchange :

To the holders of the Receipts representing the Six Per Cent. Collateral Trust Notes there shall be issued :

	Bonds.	Stock.
Par in new bonds.....	\$8,500,000	
50% of the par value of their notes in stock.....		\$4,250,000

These exchanges will leave in the treasury of the Company :

New bonds.....	1,500,000	
Stock.....		750,000

The said bonds so remaining in the treasury of the Company may be used with the consent of the Trustee of the mortgage for the purpose of protecting the securities held

in the collateral mortgage by joining in plans of reorganization when approved, and by paying assessments which may be levied under such plan, and for such other purposes connected with the business of the Company as may be approved by the Trustee.

And said new Company may also reserve the power to increase its capital stock in conformity with the provisions of law and to make other mortgages, but such other mortgages shall in no manner affect the securities held under the collateral trust mortgage above referred to, nor the amount of bonds permitted to be issued thereunder.

**Sixth.** The "Committee" may supply any omission or correct any error in this agreement, or in the plan therein contained, and may modify or depart from any provisions therein which it shall unanimously deem not to be substantial. In case, however, any substantial change or alteration of this plan, or of this agreement, shall be made, such amendment shall be made only in the following manner :

A copy of the proposed change or alteration shall be lodged with each of the depositaries under this agreement, and notice thereof shall be advertised in the manner specified in Article Tenth hereof. Thereupon any holders of receipts or certificates of deposit who do not consent to such alteration, may, at any time before a date specified in such advertisement, which date shall be at least twenty days after the first publication thereof, withdraw the securities represented by their receipts or certificates of deposit, upon surrendering their said receipts or certificates of deposit to the proper depositaries. As a condition of such withdrawal the holders of receipts shall be required to pay their *pro rata* share of the expenses and other expenditures of the "Committee" incurred up to the date of such withdrawal. All holders of certificates of deposit who shall not exercise this right to withdraw their securities within the said time shall be

deemed to have assented to and adopted such change or alteration and shall be bound thereby and the "Committee" shall be authorized to carry the same into effect.

**Seventh.** This plan may be declared effective by the "Committee" whenever, in its judgment, a sufficient proportion of all the notes shall have been deposited to enable the "Committee" to carry it into successful effect.

This agreement and plan may be abandoned by the "Committee" at any time, notwithstanding it may have previously declared the same to be effective.

The time for declaring this plan to be effective is hereby limited to February 1st, 1897, with the right on the part of the "Committee" to extend the time until May 1st, 1897. If the plan be not declared effective within the time hereby limited, or within the extended time designated by the Committee as hereby provided, it shall be deemed to be abandoned.

In case the "Committee" shall finally abandon the entire agreement and plan, all the deposited securities then under the control of the "Committee" shall be delivered to the several depositors, according to their respective interests, upon presentation of their respective receipts or certificates, upon condition, however, that the holders of such receipts or certificates shall pay their *pro rata* share of the "Committee's" expenses and charges, and the "Committee" shall have the power to determine the amount so required to be paid.

**Eighth.** The "Committee" shall keep a record of its proceedings, may adopt rules of procedure or by-laws, may act by a majority vote of its members, may permit the vote in writing of an absent member to have the same effect as though such member were present, may permit a member to act and vote by proxy, may fill any vacancy by appointment



in writing by the remaining members, or the majority of them, and may add not to exceed two members to its number.

All the rights and powers of this "Committee" shall at all times vest in the members of this "Committee," for the time being, without formal transfer or assignment.

Any member of this "Committee" may at any time resign by giving notice in writing to the Secretary of the "Committee," and the "Committee" may give full release and discharge to such member or to the personal representative of any deceased member.

The "Committee" may act through sub-committees or agents, and delegate any authority, as well as discretion, to any such sub-committee or agent.

The "Committee" or "depositors," or any person or any member of either, may be and become pecuniarily interested in any contracts, properties and matters which this agreement concerns, including any syndicate agreement, and may purchase or sell any securities involved in or affected by this agreement.

Any resolution of the "Committee" duly certified by the Secretary, shall be full and sufficient authority for any action of the depositaries, or any trust company or other custodian of any of the deposited securities, or for any sub-committee or agent.

**Ninth.** The "Committee" undertakes in good faith to carry out this agreement and the plan therein contained, but the members of the "Committee" assume no personal responsibility for the execution thereof.

No member of the "Committee" shall be liable in any case for the acts of the other members, or of any other committees, or of any depositary, nor for the acts of their agents, sub-committees or employees, nor shall they be per-

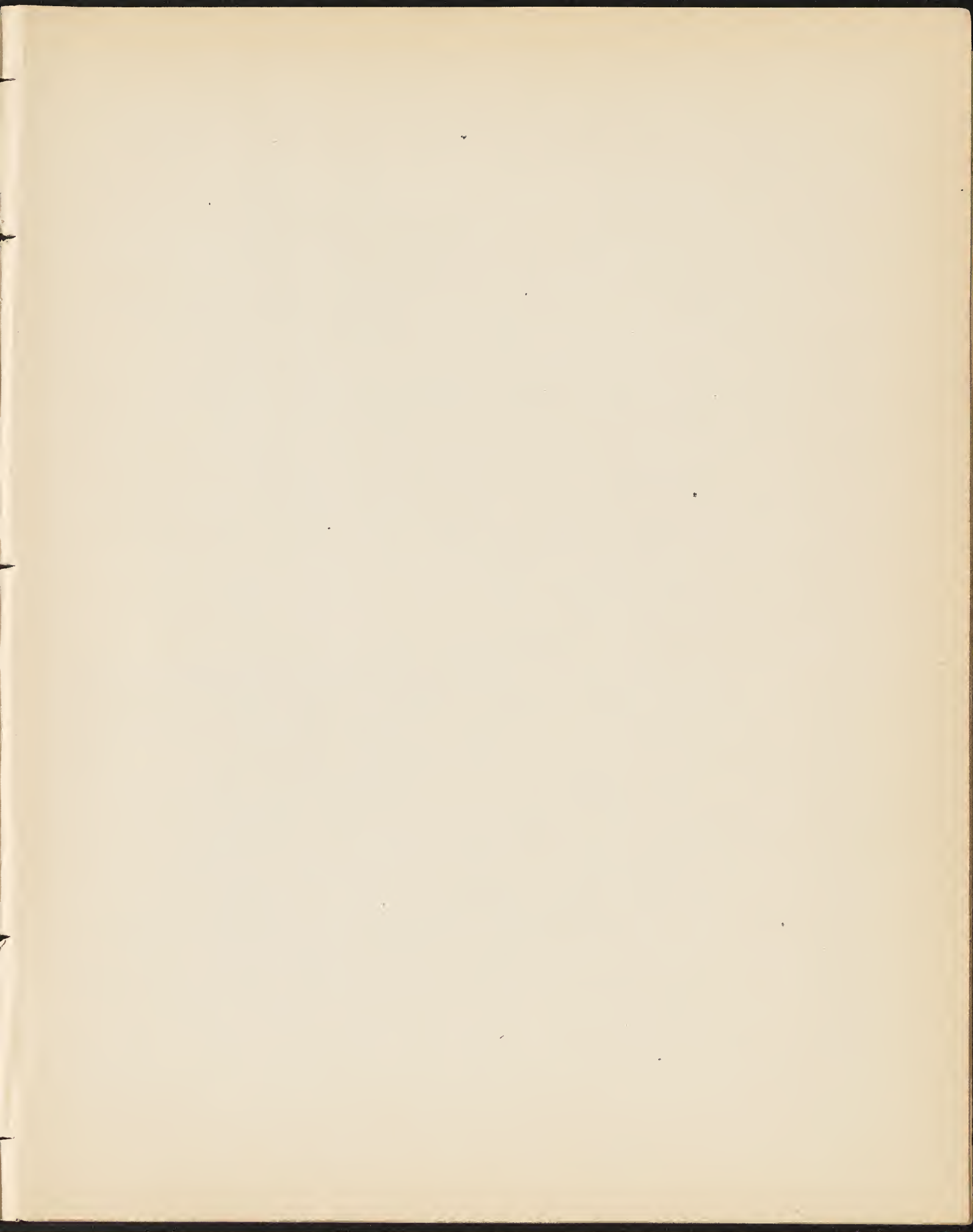
sonally liable for any error of judgment or mistake of law, but each shall be liable for his willful misfeasance.

The members of the "Committee" shall be entitled to receive reasonable compensation for their services, and such compensation, with the reasonable expenses of said "Committee," shall be paid as part of the expenses of reorganization. The amounts of such compensation and expenses being first approved by a majority of the "Committee," the accounts of the "Committee" shall be filed with the Board of Directors of the new Company, and when audited by said Board of Directors shall be binding and conclusive on all parties; and the "Committee" shall be thereby discharged by turning over to the new Company any balance of money or securities remaining in the hands of the "Committee."

**Tenth.** All notices and calls required to be given or made hereunder, shall, except when otherwise provided, be inserted in two daily papers of general circulation, published in the City of New York, and one published in the City of Boston at least twice in each week for two successive weeks. Any call or notice whatsoever, when so published by the "Committee," shall be taken and considered as though personally served on all the parties hereto, and upon all parties who have become bound hereby, such service to be deemed complete at the expiration of the said two successive weeks in which said notices shall have been advertised, and such publication shall be the only notice required to be given under any provision of this agreement.

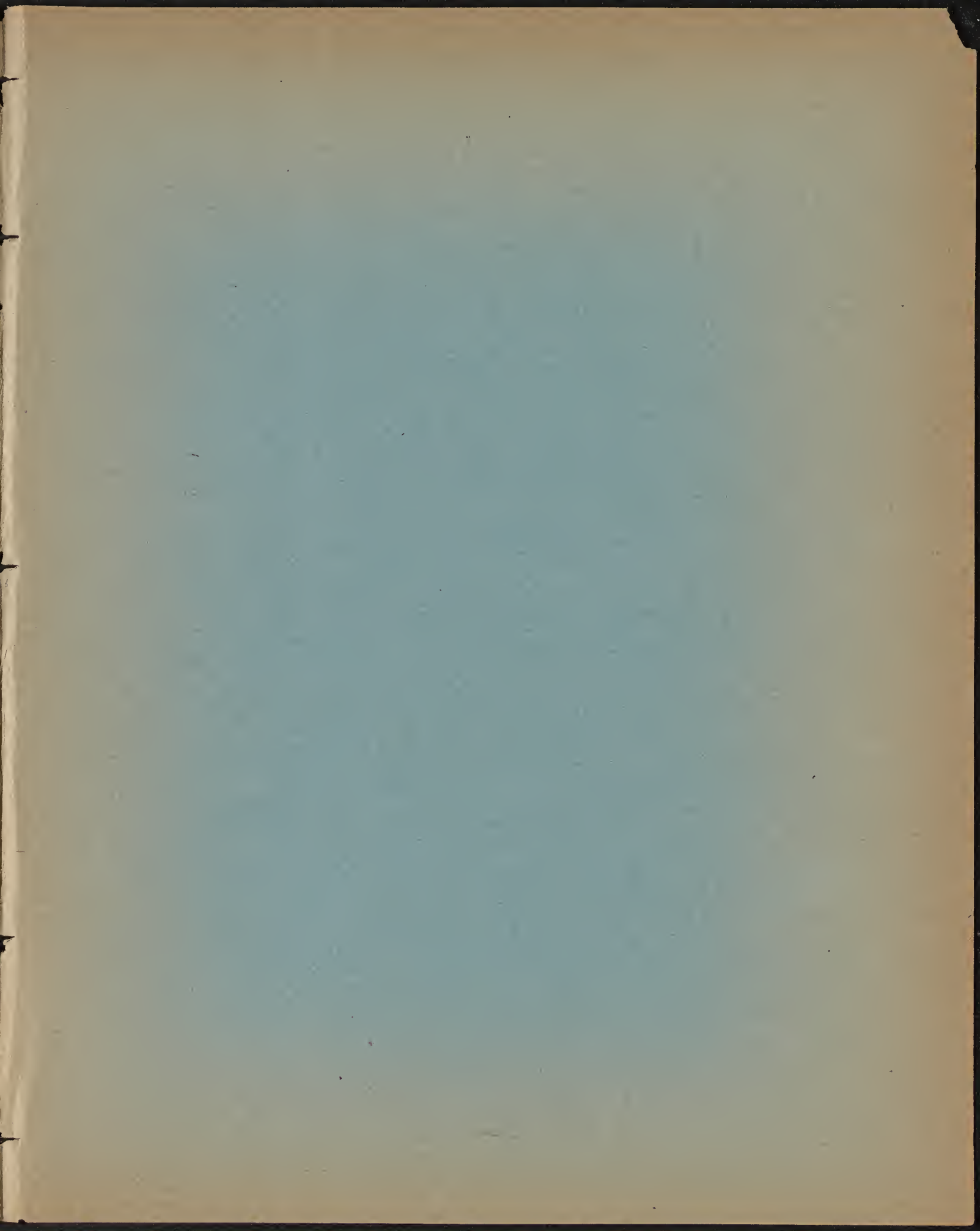
**Eleventh.** This agreement shall bind the "Committee" and their successors in office, appointed in accordance herewith, and the depositors hereunder, either and each of their executors, administrators, successors and assigns.

In witness whereof, the members of the "Committee" have hereunto signed their names, and the depositors have deposited their securities under the terms and subject to the provisions of this agreement.











# PLAN AND AGREEMENT FOR THE REORGANIZATION

OF

## THE UNION PACIFIC RAILWAY COMPANY, INCLUDING ITS KANSAS PACIFIC LINES.

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Dated October 15, 1895.

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LOUIS FITZGERALD,  
JACOB H. SCHIFF,  
T. JEFFERSON COOLIDGE, Jr.,  
CHAUNCEY M. DEPEW,  
MARVIN HUGHITT,  
OLIVER AMES, 2nd,

} Committee.

WINSLOW S. PIERCE,  
*Counsel.*

KUHN, LOEB & CO.,  
*Bankers.*

ALVIN W. KRECH,  
*Secretary.*

### DEPOSITARIES:

The Mercantile Trust Co. of New York.  
Old Colony Trust Co. of Boston.  
Bank of Montreal, of London.  
Amsterdamsche Bank, of Amsterdam.  
Deutsche Vereinsbank, of Frankfort-on-Main.





*To the Security Holders of the Union Pacific Main Lines  
Proper, inclusive of the Kansas Pacific Line :*

The system of the Union Pacific Railway Co. having become dismembered, and the holders of the securities of the branch lines having already taken steps for their own protection, it has become evident that the holders of the various kinds of bonds secured upon the main stem of the Union Pacific Railway Co., including the Kansas Pacific line, must combine in order to protect themselves.

The main difficulty in effecting a prompt reorganization of the Union Pacific Railway Co. proper, is in the impracticability thus far experienced of reaching a settlement with the United States Government, which holds a second lien upon the Union Division from Omaha to a point 5 miles west of Ogden, 1,038 miles, and on the Kansas Division from Kansas City (exclusive of the Kansas City, Missouri, terminals) west to the 394th Mile Post in Kansas ; but which has no lien upon that part of the Kansas Pacific line between the 394th Mile Post and Denver, 245 miles, nor on the Leavenworth Branch, Leavenworth to Lawrence Junction, 32 miles, nor on the Cheyenne Division, Denver to Cheyenne, 104 miles. Congress having thus far been unwilling to pass any legislation authorizing a settlement, it becomes imperatively necessary on the part of the holders of the First Mortgage Bonds, of which part have already matured, and all of which will mature within the next few years, to combine for an enforcement of their prior lien. Eminent counsel have advised that the lien of the First Mortgage Bonds may be effectively foreclosed ; and while it is very desirable to make a settlement with the United States Government, and to continue efforts in this direction, further delay on the part of the First Mortgage Bondholders in protecting themselves by securing their

legal rights would be likely to become dangerous and to result in loss.

The undersigned have been asked by large interests to formulate and proceed with a reorganization, which shall at once secure to the holders of the First Mortgage and other bonds requiring consideration in reorganization a full return in new securities of the successor Company with fixed charges based upon the lowest results from the operation of the main line, and the Kansas Pacific and Denver Pacific lines which have been obtained during the times of the greatest depression. A Plan is submitted herewith to the consideration of the security holders, which, it is believed, fully carries this purpose into effect, and at the same time secures to First Mortgage Bondholders the payment of the matured and maturing interest until it shall become practicable to carry out the reorganization. Should this end, contrary to expectation, not be attained, the bonds which holders are requested to deposit without delay will be returned without expense.

Prompt action on the part of bondholders in uniting being imperative, the time during which deposits can be made has been limited to December 31st, 1895, after which date no bonds will be admitted, unless otherwise determined, except upon the payment of a penalty of five per cent.

Stockholders must likewise deposit their share-certificates, properly endorsed, prior to December 31st, 1895, but will not be required to pay any part of the assessment of \$15 a share until the same is called for hereafter by the Committee after the Plan shall have been declared operative. Upon stock deposited after December 31st, 1895, the assessment will be at the rate of \$20 a share, unless otherwise determined, \$5 of which shall be payable at the time of deposit, as a penalty.

In case the reorganization is abandoned, without having been declared operative, holders of receipts will receive back the shares to which they are entitled, without expense to them, on surrender of their receipts, properly endorsed, at the Depositaries which issued them.

Deposits may be made at any of the Depositaries on and after November 1, 1895, from which date matured coupons on First Mortgage Bonds will be cashed as provided in the Plan.

The Committee may at any time after December 31, 1895, alter the penalties above specified or decline to receive further deposits of bonds or stock.

The Mercantile Trust Company of New York has been designated as the Central Depositary both for the bonds and the stock (with auxiliary Depositaries as set forth in the Plan), and will issue engraved Certificates of Deposit, for the listing of which application will be made to the New York Stock Exchange at the proper time. Temporary receipts will be issued in exchange for securities deposited until the engraved Certificates shall be ready.

Protective Committees already organized in the interests of the holders of either of the classes of bonds embraced in the Plan are invited to confer and co-operate with this Committee in respect to such interests.

New York, October 15, 1895.

LOUIS FITZGERALD,

JACOB H. SCHIFF,

T. JEFFERSON COOLIDGE, JR.,

CHAUNCEY M. DEPEW,

MARVIN HUGHITT,

OLIVER AMES, 2ND,

*Committee.*





REORGANIZATION  
OF THE  
UNION PACIFIC RAILWAY COMPANY.

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**STATEMENT.**

**Mileage :**

The main lines of the Union Pacific Railway Company are as follows :

Union Division—Council Bluffs to a point.....	
5 miles west of Ogden.....	1,048.01 miles
Kansas Division—Kansas City to Denver.....	643.55 “
Leavenworth Branch—Lawrence to Leavenworth..	31.93 “
Cheyenne Division—Denver to Cheyenne.....	104.10 “
<hr/>	
Total main line mileage.....	1,827.59 “

**Lands :**

The outstanding land and town lot contracts on December 31st 1894, were as follows :

UNION DIVISION.....	\$2,727,480 27
KANSAS PACIFIC AND DENVER PACIFIC DIVISIONS.....	3,435,271 28
<hr/>	
TOTAL .....	\$6,162,751 55

It is believed that a considerable amount of these contracts, will as a result of the recent industrial depression, be cancelled, in which event the figures in the following table should be correspondingly increased.

The acreage and estimated value of unsold Land Grant lands, excluding those under contract, on December 31st, 1894, were as follows:

Division.	Acres.	Estimated Value.
Union.....	3,345,000	\$3,157,000
Kansas Pacific and Denver Pacific..	3,179,000	10,201,500
Total .....	6,524,000	\$13,358,500

#### **Funded Debt (Oct. 1, 1895) :**

##### UNION DIVISION :

Union Pacific	First Mortgage 6s.	\$27,229,000,	due Jan. 1, 1896-1899
"	Land Grant 7s....	7,000,	" April 1, 1889
"	Sinking Fund 8s.	3,730,000,	" Sept. 1, 1899
"	Omaha Bridge 8s..	508,000,	" April 1, 1896
"	Omaha Bridge Re-		
	newal 5s.....	1,056,000,	" Oct. 1, 1915
"	Collateral Trust 6s	3,626,000,	" July 1, 1908
"	Collateral Trust 5s	4,677,000,	" Dec. 1, 1907
"	Collateral Trust 4½s	2,030,000,	" Nov. 1, 1918
"	Equipment Trust		
	5s.....	1,149,000,	" 1896 to 1900
"	Collateral Trust		
	Notes 6s.....	8,610,000,	" Aug. 1, 1894

\$52,622,000

KANSAS PACIFIC AND CHEYENNE DIVISIONS AND LEAVENWORTH  
BRANCH.

Eastern Division 6s.....	\$2,240,000, due Aug. 1, 1895
Middle Division 6s.....	4,063,000, " June 1, 1896
Denver Extension 6s.....	5,887,000, " May 1, 1899
Kansas Pacific Consolidated 6s.....	11,724,000, " May 1, 1919
Kansas Pacific Income 7s.....	263,700, " July 1, 1916
"      "      "      subordinated 7s	4,011,650, " July 1, 1916
Kansas Division and Collateral 5s....	5,000,000, " May 1, 1921
Denver Pacific First Mortgage 7s....	975,000, " May 1, 1899
Leavenworth Branch First Mtge. 7s..	600,000, " Jan. 1, 1896
	\$34,764,350

\* INDEBTEDNESS TO THE GOVERNMENT :

For principal.....	\$33,539,512, due Nov. 1, 1895 to Jan. 1, 1899
For interest (approximately, after deducting estimated value of the Sinking Fund).....	19,500,000
	\$53,039,512

TOTAL FUNDED DEBT .....\$140,425,862

**Capital Stock :**

The capital stock of The Union Pacific Railway Com-  
pany outstanding is .....\$60,868,500

\* NOTE. The lien of the Government for the security of this debt is a second lien subordinate to the lien of the First Mortgage bonds on the Union Division, and of the Eastern and Middle Division bonds on 394 miles of the Kansas Division. The proportions of the Principal of the debt (\$33,539,512) applicable to the Union and Kansas Divisions, respectively, are as follows :

Union Division debt to the Government....	\$27,236,512
Kansas Division " " " .....	6,303,000



**Fixed Charges.**

The interest on the debt to the United States (Principal \$33,-539,512) has been an accumulating obligation, diminished only by application of withheld compensation for Government service and by Sinking Fund receipts. The accumulated interest, now aggregating, after all deductions, more than \$19,000,000, will mature, it is claimed, with the maturity of the principal of the debt which now impends.

In the following table, which states the fixed charges of the Union Pacific Railway Company (proper) for each of the five years from 1890 to 1894, inclusive, the following liabilities are not included :

1. The excess of interest on the debt to the Government over the percentage of net earnings applicable to it under the Thurman and other Acts.\*
2. Interest on bonds held in main line mortgage Trusts under conversion provisions.
3. The obligations under guaranties, determined by the deficit in the operations of auxiliary lines to meet interest or provide the traffic receipts guaranteed by the Union Pacific Railway Company.

Fixed charges or deductions from net earnings :

	Interest on bonds.	Sinking Funds.	Government requirements.	Total charges.
1890	\$4,613,097 85	\$705,458 75	\$1,041,153 43	\$6,359,710 03
1891	4,782,230 29	708,332 50	1,278,488 82	6,769,051 61
1892	5,371,587 40	705,172 50	1,338,044 37	7,414,804 27
1893	4,902,594 03	666,182 50	1,203,303 73	6,772,080 26
1894	4,767,613 81	677,685 00	1,249,061 46	6,694,360 27

Average charges as above for five years ----- \$6,802,001.28

\* NOTE. The annual interest charge accumulating on this debt is \$2,012,370.72 less the deductions above explained.

**Earnings:**

The following table shows the gross and net earnings resulting from the operation of the Union Pacific Main Lines (exclusive of the Company's income from other sources) for each of the 10 years from 1885 to 1894, inclusive.

Year.	Gross Earnings.	Net Earnings, Taxes Deducted.
1885	\$17,455,031 51	\$8,404,676 31
1886	17,806,132 59	7,522,707 02
1887	19,546,088 62	9,111,886 85
1888	19,898,816 93	8,119,468 16
1889	19,775,555 84	8,286,679 63
1890	20,438,208 36	7,274,759 06
1891	19,687,738 48	7,846,451 70
1892	20,361,401 66	8,550,268 22
1893	17,376,792 11	6,204,716 81
1894	14,739,436 76	4,315,077 25

Average net earnings for ten years..... \$7,563,669 10

**General Considerations:**

1. The mortgage debt for which provision is made in the following Plan for Reorganization is exclusive of main-line bonds held in Trusts or Sinking Funds under Mortgages included in the proposed reorganization—the issues being reduced, to that extent, for reorganization purposes.

The bonds thus available under new plan without the necessity for provision in new securities, are as follows:

Omaha Bridge Renewal 5% Bonds (held by the Receivers)	\$322,000
Eastern Division bonds (held in Denver Extension Sinking Fund) .....	\$304,000
Middle Division bonds (held in Denver Extension Sinking Fund) .....	385,000

Denver Extension bonds (held in Denver Extension Sinking Fund).....	1,781,000
Kansas Pacific Consols. (held in Kansas Pacific Further Security Trust and by the Receivers) .....	120,000
Kansas Pacific Income 7s, unsubordinated (held in Kansas Pacific Consolidated Mortgage Trust).....	252,300
Kansas Pacific Income 7s, subordinated (held in Kansas Pacific Consolidated Mortgage Trust).....	3,988,550
Denver Pacific First Mortgage 7s (held in Kansas Pacific Consolidated Mortgage Trust).....	971,000
Leavenworth Branch First Mortgage 7s (held in Kansas Pacific Consolidated Mortgage Trust).....	585,000

2. Nor does the reorganization include provision for the Collateral Trust obligations of The Union Pacific Railway Company. The securities embraced in these Trusts are largely those of companies which have already, by orders of court made in the original general receivership cause or in independent foreclosure proceedings, lost in part or in whole their character as portions of what has been distinctively known as the Union Pacific System. Independent reorganizations of many of these properties are pending. The purposes which brought into existence guaranties of the obligations of many of these auxiliary companies have been accomplished by construction and otherwise, and considerations will not exist under reorganization for continued relations with these properties upon the basis of an assumption of any of their fixed charges. Geographical conditions and considerations of mutual advantage point to a continued operation of such of these auxiliary properties as have had a demonstrated value, in harmony with that of the reorganized Company, and relief from the burden of these guaranties will, it is believed, be an advantage obtained without detriment to the earning capacity of the property.

3. The total charges for the prosperous year of 1892 (including interest on fixed bonds, mortgage sinking funds, Government deduc-

tions and requirements, and other charges made up in large part of guaranty obligations), aggregated the sum of \$7,881,475.44; or a sum greater by \$881,475.44 than an amount necessary to pay the annual interest on the maximum Mortgage Debt and full dividend on the maximum issue of Preferred Stock contemplated in the following plan of reorganization:

The *maximum* interest and dividend requirements under the Plan applied to the average annual net earnings of the past 10 years shows these results:

### NET EARNINGS.

Average Net Earnings of Union Pacific Railway (proper)	
for 10 years, 1885 to 1894, inclusive.....	\$7,563,669

### INTEREST AND DIVIDENDS.

Annual Interest on the maximum issue of \$100,000,000	
Four Per Cent. Bonds under following plan.....	\$4,000,000
Annual Four Per Cent. Dividend on the maximum issue	
of \$75,000,000 Preferred Stock .....	3,000,000
Interest and Dividends on Preferred Stock..	\$7,000,000
Average Surplus over Interest and Full Dividends on	
Preferred Stock.....	563,669

*NOTE: The lowest net earnings realized by the Union Pacific Railway were those of the year 1894, when they were \$4,315,077.25, or \$315,077.25 in excess of interest on the maximum amount of bonds as proposed in the following Plan.*



## PLAN.

It is proposed, through such foreclosure proceedings as the Committee shall cause to be instituted or shall adopt, or through such other means as the Committee shall determine, that a new company shall succeed to (or that the present company reorganized upon the basis of indebtedness fixed in this plan shall retain) the main lines and lands covered by the mortgages included in the plan.

The New Company shall issue the following

### New Securities :

#### First Mortgage Railway and Land Grant Fifty

Year Four Per cent. Gold Bonds.....	\$100,000,000
Four per cent. preferred stock.....	75,000,000
Common Stock.....	61,000,000

#### NEW BONDS :

The new bonds shall be dated January 1, 1897, and shall bear interest from that date payable on the first days of each January and July thereafter until maturity. They shall be secured by a First Mortgage lien upon all the main line mileage of The Union Pacific Railway Company, upon the equipment acquired by the new company and upon the unsold lands and the land contracts embraced in the trusts of the Union Pacific Land Grant and Sinking Fund Mortgages, the Denver Extension First Mortgage, the Kansas Pacific Consolidated First Mortgage and the Denver Pacific First Mortgage, and upon such branch lines of railway as the Committee shall avail of through the ownership of branch line bonds in the trust of the Kansas Pacific Consolidated First Mortgage.

#### NEW PREFERRED STOCK :

The new preferred stock shall be entitled to Four per cent. non-cumulative dividends, payable out of the net or surplus earnings of the Reorganized Company before the payment of any dividend on the Common Stock.

The following will be the

NOTE.

Allotment of new securities recast as follows :

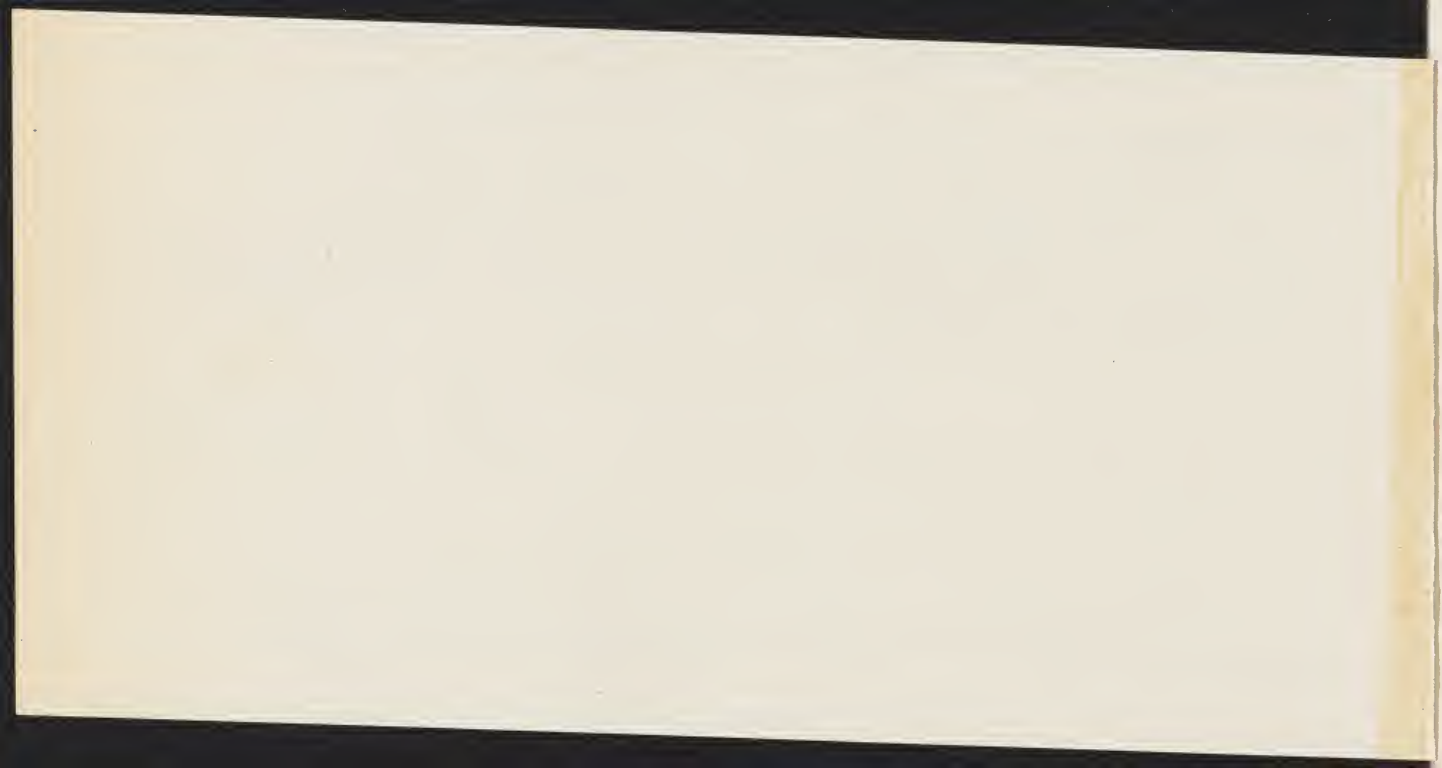
To deposited KANSAS PACIFIC CONSOLIDATED FIRST MORTGAGE 6s, INCLUDING DEFAULTED INTEREST—

50% in new 4% 50-Year Gold Bonds,  
110% in new Preferred Stock.

To deposited UNION PACIFIC SINKING FUND 8s, INCLUDING DEFAULTED INTEREST—

75% in new 4% 50-Year Gold Bonds,  
100% in new Preferred Stock.

New Bonds will be dated July 1, 1897, and shall bear interest from that date.



## DISTRIBUTION OF NEW COMPANY'S SECURITIES.

	New 4% 50-Year Gold Bonds.		New Preferred Stock.		New Common Stock.	
	%	Amount.	%	Amount.	%	Amount.
<b>For Union Division Debt:</b>						
1. Union Pacific First Mortgage 6's.....	100	\$27,229,000	50	\$13,614,500		
*2. Land Grant 7's.....						
3. Sinking Fund 8's.....	100	3,730,000	50	1,865,000		
4. Omaha Bridge 8's.....	100	508,000	50	254,000		
5. " " Renewals, 5's...	100	734,000	25	183,500		
<b>For Kansas Division Debt:</b>						
1. Eastern Division 6's.....	100	1,936,000	50	968,000		
2. Middle " 6's.....	100	3,678,000	50	1,839,000		
3. Denver Extension First 6's....	100	4,106,000	50	2,053,000		
4. Consolid. First Mge. 6's.....	80	9,283,200	50	5,802,000		
† " " Defaulted Interest.....			25	2,901,000		
5. Income 7's (unsubordinated)...	80	8,880	50	5,550		
6. " " (subordinated).....	80	16,440	50	10,275		
7. Leavenworth Branch 7's.....	80	12,000	50	7,500		
8. Denver Pacific First 7's.....	80	3,200	50	2,000		
9. Kansas Division and Collateral Mortgage 5's .....			50	2,500,000		
<b>For Assessment on Common Stock .....</b>			100	9,130,275		
<b>In Exchange for Common Stock of Union Pacific Railway Company on Which Assessment is Paid Under the Plan.....</b>						\$60,868,500
<b>For Compensation to Reorganization Syndicate and Bankers.....</b>				6,000,000		
<b>Total Defined Issues for Reorganization Purposes.....</b>		\$51,244,720		\$47,135,600		\$60,868,500
<b>Reserved to Dispose of Equipment Obligations and for Reorganization and Corporate Uses.....</b>		\$13,000,000		\$7,000,000		
<b>Balance Reserved for Settlement of the Debt to the United States and for Extraordinary Requirements .....</b>		35,755,280		20,864,400		\$131,500

\* The Union Trust Company of New York, Trustee under the Land Grant Mortgage, has funds in hand with which to pay the \$7,000 outstanding bonds.

† Should a greater or less amount of interest than that here estimated be in default on these bonds at the date from which the new bonds bear interest, the provision in Preferred Stock will be varied accordingly so as to equal in amount such defaulted interest. Interest received by the Committee on deposited bonds of this class will be accounted for to the holders of corresponding Certificates of Deposit.



### **Cash Provisions for First Mortgage Bonds.**

Through arrangements made with the Syndicate hereafter mentioned, the following cash provisions are made in respect to defaulted and future interest on present outstanding First Mortgage bonds of the Union Pacific and Kansas Pacific Railway Companies, as shown in detail below.

FIRST. The coupons now in default upon present First Mortgage bonds are to be purchased in cash for account of the Syndicate at the time of the deposit with the Committee of the bonds to which they pertain.

SECOND. Coupons maturing on deposited First Mortgage bonds in the interval between the deposit thereof under the plan and the date from which bonds of the new company are to bear interest (January 1st, 1897), are to be purchased by the Syndicate from the Committee, which in turn shall apply the amounts so received, at the respective due dates of the coupons, to the payment of corresponding installments on its outstanding certificates applicable to such deposited bonds.

THIRD. At the time of the issue of the new Four Per Cent. bonds the difference between the interest at their rate and at the rate of the present First Mortgage bonds (*i. e.*, the rate difference of 2%) shall be adjusted in cash covering the periods between January 1st, 1897, and the respective dates of the maturity of the present bonds. The proportion of the current semi-annual interest installments which shall have accrued on January 1st, 1897, on such of said bonds as do not bear January coupons shall be likewise provided for in cash at the time of the delivery of the new bonds.

The BONDS to which the foregoing cash provisions apply and the extent of the CASH REQUIREMENTS to meet these provisions, are thus shown:

**Union Pacific First 6s:**

(DUE IN INSTALLMENTS JANUARY 1, 1896, TO JANUARY 1, 1899, INCLUSIVE.)

DEFAULTED COUPONS of January 1 and July 1, 1895....	\$1,633,740
INTEREST MATURING, during pendency of plan, to and including January 1, 1897.....	2,450,610
ADJUSTMENT OF INTEREST as between rates of old and new bonds—2 per cent. per annum, from Jan. 1, 1897, to maturity of old bonds:	
On \$1,920,000 bonds, due July 1, 1897.....	\$19,200
On \$5,999,000 bonds, due January 1, 1898.....	119,980
On \$8,837,000 bonds, due July 1, 1898.....	265,110
On \$2,400,000 bonds, due January 1, 1899....	96,000
	500,290

**Kansas Pacific, Eastern Division, First 6's:**

(MATURED AUGUST 1ST, 1895.)

DEFAULTED COUPONS of August, 1894, and February and August, 1895.....	201,600
INTEREST MATURING during pendency of plan to January 1st, 1897.....	190,400

**Kansas Pacific, Middle Division, First 6's:**

(DUE JUNE 1ST, 1896.)

DEFAULTED COUPONS of June 1st and December 1st, 1894, and June 1st, 1895.....	365,670
INTEREST MATURING during pendency of plan to January 1st, 1897.....	385,985

**Kansas Pacific, Denver Extension, First 6's:**

(DUE MAY 1ST, 1899.)

DEFAULTED COUPONS of May 1st and November 1st, 1894, and May 1st and November 1st, 1895.....	706,440
INTEREST MATURING during pendency of plan to January 1st, 1897.....	412,090

ADJUSTMENT OF INTEREST as between rates of old and	
new bonds—two per cent. from January 1st, 1897,	
to maturity of old bonds.....	274,727
	<hr/>
	\$7,121,552

In all cases where the foregoing provisions apply to semi-annual interest installments not represented by coupons because of the prior maturity of the principal of the bonds, the Syndicate will take assignments of such interest installments from holders presenting their bonds for deposit, or from the Committee as to such bonds as shall have been deposited, and will hold and treat such assignments in the manner hereinafter provided with respect to coupons taken up by the Syndicate.

#### **Assessment.**

The common stock of the present Company will be assessed at the rate of \$15 per share.

Shareholders paying the assessment of \$15 per share will receive the amount of the assessment (viz., \$15 per share) in new preferred stock at par, and will also receive par of their present common stock in common stock of the new company.

Shareholders who do not pay their assessments as called will forfeit their rights. The stock assessment will be underwritten before the plan is declared operative.

The proceeds of the assessment shall be applicable to the cash requirements of this plan as herein provided, and to such requirements as shall be fixed and determined by the Committee, including such expenses and charges as it shall make or incur in the premises, and suitable compensation to the members of the Committee.

The amount of this assessment shall be payable at such times and in such installments as the Committee shall determine after the plan has been declared operative, but not more than \$5 per share shall be called in any consecutive thirty days.

### **Reorganization Syndicate.**

A Reorganization syndicate has been organized under the management of Messrs. Kuhn, Loeb & Company, Bankers, to furnish the sum of Ten million dollars for the following purposes :

1. To purchase all the interest coupons on First Mortgage bonds now in default.
2. To purchase as they shall mature hereafter the interest coupons on First Mortgage bonds and, also the semi-annual assignments of interest accruing on bonds already matured during the pendency of the Plan and until it shall become operative.
3. To purchase, if it shall be found advisable for the promotion of the reorganization, any outstanding First Mortgage bonds and Omaha Bridge bonds, and to deposit the same under this plan; and, if it shall be found advisable, to purchase all or any defaulted or future maturing coupons or interest assignments on Omaha Bridge bonds.

Coupons and interest assignments purchased for account of the Syndicate shall be deposited in The Mercantile Trust Company of New York, which shall issue its certificates for the same to the Syndicate, or such other course shall be taken in respect thereto as shall be determined by the Committee and the Bankers to effectively and conveniently carry out this feature of the plan, and as will secure to the Syndicate all rights of the bondholders in and to the coupons and interest claims so purchased and in and to the lien and right of enforcement of the lien thereof.

Such steps shall be taken in respect to all purchased coupons and interest assignments as will secure a valid claim for cumulative interest in favor of the Reorganization Syndicate.

The right is reserved on behalf of the Committee, with the assent of the Bankers, to call for an increase of the amount required to be advanced by the Syndicate to Fifteen million dollars.



The Syndicate is to advance a sum not exceeding \$100,000 for expenses repayable with six per cent. interest after the plan shall have been declared operative.

All advances made by the Syndicate shall be re-payable to it in gold.

Six Million Dollars of preferred stock are to be turned over as compensation to the Syndicate, of which the Bankers are to retain One Million as their own compensation.

### **Limitations of Time.**

#### **FOR DECLARING PLAN OPERATIVE :**

The time for declaring this plan operative is to be limited to December 31st, 1896, with the right on the part of the Committee to extend the time for six months--namely, to June 30th, 1897. Notice that the plan is operative shall be given by publication through each of the Depositaries hereinafter mentioned.

#### **FOR DEPOSIT OF SECURITIES :**

The time for the deposit of bonds receivable under this plan and of the shares of stock of the present company is limited to December 31st, 1895, after which date no bonds will be admitted except upon the payment of a penalty of five per cent. Upon shares of stock deposited after the time above limited (December 31st, 1895), the assessment will be at the rate of \$20 a share. After the expiration of the limit of time the penalty of \$5 a share will be payable at the time of deposit, and will not be refunded.

Deposits may be made on and after November 1st, 1895. The Committee reserves the right at any time to alter the penalties above specified or decline to receive further deposits of bonds or stock.

Should it in the opinion of the Committee appear desirable to make any substantial alterations in the foregoing plan, it shall make publication of such proposed alterations for at least twenty days, during which time the security holders, not approving of the proposed alterations, shall be permitted to surrender their certificates of deposit and withdraw their securities, upon refunding with six

per cent. interest the amounts advanced in purchase of the coupons and interest assignments on their respective bonds.

**Securities receivable on deposit under this Plan.**

THE FOLLOWING SECURITIES will be received under this plan at either of the Depositaries hereinafter mentioned :

**BONDS.**

1. UNION PACIFIC RAILROAD COMPANY'S FIRST MORTGAGE BONDS.
2. UNION PACIFIC RAILROAD COMPANY'S SINKING FUND MORTGAGE BONDS.
3. UNION PACIFIC RAILROAD COMPANY'S OMAHA BRIDGE 8% MORTGAGE BONDS.
4. UNION PACIFIC RAILWAY COMPANY'S OMAHA BRIDGE RENEWAL BONDS.
5. THE UNION PACIFIC RAILWAY COMPANY KANSAS DIVISION AND COLLATERAL MORTGAGE BONDS.
6. (KANSAS PACIFIC) UNION PACIFIC, EASTERN DIVISION, FIRST MORTGAGE BONDS.
7. (KANSAS PACIFIC) UNION PACIFIC, MIDDLE DIVISION, FIRST MORTGAGE BONDS.
8. KANSAS PACIFIC RAILWAY DENVER EXTENSION FIRST MORTGAGE BONDS.
9. KANSAS PACIFIC RAILWAY CONSOLIDATED FIRST MORTGAGE BONDS.
10. KANSAS PACIFIC RAILWAY INCOME BONDS.
11. LEAVENWORTH BRANCH BONDS.
12. DENVER PACIFIC RAILWAY AND TELEGRAPH FIRST MORTGAGE BONDS.

*Also :*

**STOCK.**

13. THE CERTIFICATES OF STOCK OF THE PRESENT COMPANY.

**Depositaries.**

THE MERCANTILE TRUST CO. OF NEW YORK.

OLD COLONY TRUST CO., of Boston.

BANK OF MONTREAL, of London.

AMSTERDAMSCHER BANK, of Amsterdam.

DEUTSCHE VEREINSBANK, of Frankfort-on-Main.

Bonds and shares may be deposited by the holders thereof in either of the above-named Depositaries who shall issue their own negotiable certificates. After the plan has become operative, the Committee may order the transmission of securities deposited in any one of the Depositaries into the keeping of The Mercantile Trust Co. of New York, who shall constitute the central Depositary, and who shall, thereupon, issue its own engraved certificates for the previously issued certificates of the branch or auxiliary Depositaries.

Until the plan shall have been declared operative, depositors of bonds in either of the Depositaries may apply to have their bonds transferred to any other Depositary, upon payment of the expense thereof, and shall be entitled to the certificates of the last Depositary upon the surrender of the certificates previously issued to such depositors.

Holders of securities who shall have deposited the same in any one of the foreign auxiliary Depositaries shall, where such securities have had the foreign Government stamp attached, be entitled to receive the new securities likewise with the foreign Government stamp.

For further particulars and powers of the Committee Depositors are referred to the agreement of which this plan is a part.

## AGREEMENT.

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AN AGREEMENT made this 15th day of October, 1895, between Louis Fitzgerald, Jacob H. Schiff, T. Jefferson Coolidge, Jr., Chauncey M. Depew, Marvin Hughitt, and Oliver Ames, 2d, parties of the first part, and, herein called the "Committee," and holders of such bonds and stock of The Union Pacific Railway Company as shall, conformably with the provisions of the annexed Plan and of this Agreement, be deposited as in said Plan and herein provided, parties of the second part, and herein called "Depositors."

WHEREAS, the parties of the first part have been and hereby are constituted a Committee for the reorganization of the affairs of The Union Pacific Railway Company proper, inclusive of its Kansas Pacific lines, and have formulated the annexed Plan for such reorganization:

### NOW THIS AGREEMENT WITNESSETH:

That each and every person or party who shall have deposited with either of the Depositaries hereunder as hereinafter provided any bonds of the Union Pacific Railway Company receivable under



this Agreement, or any stock of said Company, hereby promises and agrees to and with the Committee and every other party hereto, and they and the Committee respectively promise and agree as follows :

FIRST. Printed copies of this Agreement, certified by a majority of the Committee and lodged respectively with the Depositaries, shall be held and taken as the original Agreement. The said Plan is, and shall be, taken to be a part of this Agreement, with the same effect as though each and every provision thereof had been embodied herein, and said Plan and this Agreement shall be read as parts of one and the same instrument, but it is understood, however, that no estimate, statement, explanation or suggestion in said Plan, or in the statement which precedes the same, or in this Agreement, or in any circular issued or to be issued by the Committee, is intended to or shall operate as a representation or warranty or as a condition of the deposit of securities hereunder, and no error or defect therein shall operate to release any depositing security holder, except with the consent of the Committee.

Depositors of securities shall receive receipts or certificates of deposit in form to be approved by the Committee, specifying the securities deposited and assessments, if any, paid thereon, and all rights of the depositors in respect of such deposits shall be such only as are evidenced by such receipts or certificates ; and thereafter the holder of any such receipt or certificate, or of any receipt or certificate issued in lieu thereof or in exchange therefor, shall be subject to this agreement and entitled to have and exercise the rights of the original depositor under the receipt or certificate issued to him in respect of the securities therein mentioned.

The respective receipts or certificates of deposit, and the interest represented thereby, and all rights of the holders in respect of the deposited securities and assessments paid thereon, shall be transferable only subject to the terms and conditions of this agreement and in such manner as the Committee shall approve, and upon such transfer the transferees and holders of such receipts or certificates of deposit

shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of receipts or certificates of deposit, shall be embraced under the term "Depositors," whenever used herein. Each receipt or certificate of deposit may be treated by the Committee and by the Depositaries as a negotiable instrument, and the holder for the time being may be deemed to be the absolute owner thereof and of all rights of the original depositor of the bond or stock and assessments in respect of which the same was issued, and neither the Depositaries nor the Committee shall be affected by any notice to the contrary. By accepting any such receipt or certificate, every recipient or holder thereof shall thereby become party to this agreement with the same force and effect as though an actual subscriber hereto under seal.

Depositors must in all cases deposit with the certificates for their stock, or with their bonds or other securities, such transfers, assignments and powers of attorney as may be required by the Committee, in order to vest in said Committee or to enable it to transfer the complete and absolute title to such stock, bonds or other securities, and to coupons or interest installments on deposited bonds; and the depositors respectively agree at any time on demand of the Committee to execute any and all transfers, assignments or writings necessary for vesting complete ownership of the bonds, stocks or other securities deposited hereunder in said Committee or in its nominees, or for the purpose of enabling said Committee to carry out said plan of reorganization.

The Committee shall have power to fix or limit the time within which all or any class of security holders may deposit their securities and become parties to this agreement as herein provided, and may, in its discretion, and on such terms and conditions as it may see fit, either generally or in special instances extend or renew the time so fixed or limited.

Holders of securities not deposited in the manner herein provided within the times so fixed, limited, extended or renewed will not be entitled to deposit the same or become parties to this agree-

ment or share in the benefits thereof and shall acquire no rights thereunder, except by express consent of the Committee and on such terms and conditions as the Committee may prescribe. Depositors of stock who shall fail to pay their assessments, or any installments thereof, within such time as shall be fixed or limited shall cease to be entitled to any benefit hereunder, or in the securities deposited or assessments paid, and shall absolutely forfeit, without right of redemption, their stock, together with any part of the assessments paid thereon, and the Committee may sell the same, or the new securities which may be issued in respect thereof, to any purchaser paying such amount as the Committee may determine, and the proceeds thereof may be used for any of the requirements of carrying out said plan, and as a reserve for the uses of the new company. The Committee may, however, in its discretion, on such terms as it shall see fit, waive by resolution any such forfeiture or failure to pay the assessment within the times allowed.

SECOND. The Depositors hereunder hereby request the Committee to endeavor to carry into practical operation this agreement, including the foregoing plan of reorganization, in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Committee shall deem to be for the best interests of the depositors. Each and every Depositor, for himself and not for any other Depositor, does hereby sell, assign, transfer and set over to the said parties of the first part as joint tenants, and not as tenants in common, and to the survivor and survivors of them and to their successors, as a Committee, each and every bond, share of stock, security or obligation or evidence thereof deposited hereunder, and every Depositor hereby agrees that the Committee shall be, and hereby is, vested with all the power and authority of owners of the stock, bonds, securities and obligations deposited hereunder, with full right to transfer the same into its own name, as a Committee, or into the name of any other person or persons whom the Committee may select ; to vote thereon



at any meeting of stockholders or bondholders or creditors; to use every such stock, bond, security or obligation as fully and to the same extent as the owner or holder thereof, including power to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy to vote at, any and all meetings of stockholders or bondholders or creditors of any corporation, however convened; to terminate or to seek to dissolve or modify any trust or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust or lease or under any provision thereof; to purchase at such prices as it shall see fit, or to pay, compromise or settle with the holders of any coupons, notes or other obligations of the Union Pacific Railway Company, or of any or either of the original Companies consolidated therein, or of auxiliary Companies heretofore related thereto, or any Receivers' certificates or obligations issued or which may be issued or incurred by the Receivers thereof, and to apply for that purpose any moneys received from the assessments on the stock, or which may otherwise be received or raised by the Committee; to sell and transfer and to effectively assign any and all coupons on deposited bonds, and any rights, claims or demands for accrued or future interest on such bonds; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder or any part thereof, if the Committee shall so deem necessary or expedient in carrying out the purposes hereof; to institute or cause to be instituted or to become parties to any legal proceedings which could be instituted by any Depositor or any corporation, or any officer of any corporation whose stock or bonds or other obligations (or any part thereof) are deposited hereunder, and to participate in, adopt or extend its aid and co-operation in and to any and all legal proceedings now existing; to apply for receivers, or the removal of receivers and the substitution of other receivers, or for the termination of any receivership and the delivery of any



property to its owners; to enter into settlement of any litigation now or at any time existing or threatened, in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the objects of the Plan and the purposes of the Committee; to do whatever, in the judgment of the Committee, may be necessary to promote or to procure such joint or separate sales of any property or franchises herein concerned, as the Committee may deem desirable, wherever the same may be situated; to adjourn the sale of any property or franchises, or of any portion or lot thereof at discretion; to bid, or to refrain from bidding, at any sale, either public or private, either in separate lots or as a whole, for any property or franchise or any part thereof, whether or not owned, controlled or covered by any deposited security, including or excluding any particular rolling stock, or other property, real or personal, and at, before, or after, any such sale, to arrange and agree for the resale of any portion of the property which the Committee may decide to sell rather than to retain; to hold any property or franchises purchased by the Committee either in its name or in the name of persons or corporations by it chosen for the purposes of this agreement, and to apply any security deposited hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; it being understood that the term property and franchises includes any and all railroads, railroad and other transportation lines, leaseholds, stock or other interests in corporations, in which the Union Pacific Railway Company has any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Committee for any property or franchises shall be absolutely discretionary with it; and, in case of the sale to others of any property or franchise, the Committee may receive out of the proceeds of such sale or otherwise any dividend in any form accruing on any securities held by it.

The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is

intended to confer on the Committee, and each depositor hereunder hereby confers on the Committee, in respect of all securities deposited or to be deposited, and in all other respects, any and all powers necessary or expedient, or which the Committee may deem necessary or expedient in or towards carrying out or promoting the purposes of this agreement in any respect, even though any such power be apparently of a character not now contemplated ; and the Committee may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, it may deem expedient. And it is further understood and agreed that the methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Committee.

THIRD. Any moneys paid under or with reference to said plan or this agreement shall be paid over by the Depositaries to the Committee, and shall be applicable for any of the purposes of the plan and agreement as may be most convenient, and as may from time to time be determined by the Committee, whose determination as to the propriety and purposes of any such application shall be final, and nothing in said plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. No liability in respect or in favor of any bonds, stocks, obligations, securities or debts not called for and accepted on deposit hereunder, nor in favor of any lease or contract, is assumed hereunder, or by or for any new company (notwithstanding any mention thereof, or estimate in respect thereto, or reservation of securities to provide therefore, in said plan), nor is any trust in their favor created or impressed upon any deposit or payment hereunder, or upon any securities to be issued under the plan. Any obligation in the nature of floating debt or otherwise against the Union Pacific Railway Company or any property embraced in the plan, either as proposed or as carried out, or any securities held as collateral for any such obligation, may be acquired or extinguished or held by the Committee

at such times, in such manner and upon such terms as it may deem proper for the purposes of reorganization, but nothing contained in the plan or in this agreement is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

The Committee shall have absolute and complete discretion and latitude in the use, disposition or distribution of all securities of the new Company which are specified in the plan as reserved for purposes therein stated and which are in excess of the securities there embraced in the defined issues for reorganization purposes; and it may use, dispose of, distribute or apportion any of such reserved securities of the new Company in any manner and upon any terms which it may deem expedient or advisable to promote or accomplish the substantial objects and purposes of the plan and of this agreement. In case of any claim, lien or obligation not herein fully provided for, and affecting the Union Pacific Railway Company, or any property or franchises thereof, the Committee may from time to time make such compromise in respect thereto or provision therefor as it may deem suitable, using therefor any securities not expressly required for settlement with Depositors; but the total amount of new securities to be created, as set forth in the plan, shall not be increased.

FOURTH. The Committee may from time to time make contracts or arrangements with any other Committee, person, syndicate, or corporation, for the purpose of carrying this agreement, or any of the provisions or purposes thereof, into effect. The Committee may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by the Committee deemed reasonable for the purposes of this agreement. Its selection of the Depositaries named in the plan, and any selections which may be hereafter made by it of further or substituted Depositaries, are hereby authorized, ratified and confirmed. The Committee may prescribe the form of all securities and of all instruments at any time to be issued



or entered into under this agreement. It may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder. It may, at public or private sale, or otherwise, dispose of any securities of the new company left in its hands because of any failure to make deposits hereunder. In so disposing of any such new securities thus left in its hands the Committee may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as it may deem expedient and advisable.

FIFTH. The Committee may procure the organization of one or more new companies, or may adopt or use any existing or future companies, and may cause to be made such consolidations, leases, sales or other arrangements, and may make, or cause to be made, such conveyances or transfers of any properties or securities acquired by the Committee and take such other steps as the Committee may deem proper for the purpose of creating the new securities provided for in the plan and carrying out all or any of the provisions thereof.

The Committee may negotiate and agree with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other conveniences which it may deem necessary or desirable to obtain or to grant, and may make contracts therefor binding upon such new company; and generally may authorize, ratify and make such purchases, contracts, stipulations or arrangements as will in its opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property of the Union Pacific Railway Company, or to prevent or avoid opposition to, or interference with, the successful execution hereof.

The Committee may proceed under this agreement, or any part thereof, with or without foreclosure, and may exercise any power after foreclosure sale.

Any action contemplated in the plan or agreement to be per-



formed on or after completion of reorganization may be taken by the Committee at any time when it shall deem the reorganization advanced sufficiently to justify such course, and the Committee may defer, as it may deem necessary, the performance of any provision of the plan or agreement, or may refer such performance to the new Company.

SIXTH. The bonds deposited under this agreement, and all Receivers' certificates, coupons and claims purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by the delivery to the depositors of new securities in respect of their deposits, and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any deficiency judgment obtained in respect of any of said deposited bonds, and any judgment upon any of such claims, and all liens and equities, shall remain unimpaired, and may be enforced by the Committee or by the new Company or other assigns of the Committee until paid or satisfied in full or expressly released. Neither the Committee nor any bondholders or creditors of the Union Pacific Railway Company, by executing this agreement or by becoming parties thereto, release, surrender or waive any lien, right or claim in favor of any stockholders or other parties interested in such Company, and all such liens, rights or claims shall vest unimpaired in the Committee, and in the new Company, as its assigns; and any purchase or purchases by or on behalf of the Committee, or the new Company, under any decree for the enforcement of any such lien, right or claim shall vest the property purchased in the Committee or the new Company, free from all interest or claim on the part of such stockholders or other parties.

SEVENTH. The Committee may construe this agreement (including the plan of reorganization), and its construction thereof or action thereunder in good faith shall be final and conclusive.

The Committee may supply any omission or correct any error in the plan or in this agreement, and may modify or depart from any provisions thereof which it shall unanimously deem not to be substantial. In case, however, in the opinion of the Committee, any substantial change or alteration of the plan or of this agreement shall be necessary, such amendment shall be made only in the following manner :

A copy of the proposed change or alteration shall be lodged with each of the Depositaries under this agreement, and a notice thereof shall be advertised in the manner specified in Article Tenth hereof. Thereupon any holders of receipts or certificates of deposit who do not assent to such alteration may, at any time before a date specified in such advertisement, which date shall be at least twenty days after the first publication of such advertisement, withdraw the securities represented by their receipts or certificates of deposit upon surrendering their said receipts or certificates of deposit to the proper Depositaries.

Any interest paid or advanced in purchase of coupons or otherwise to holders of receipts or certificates in respect of deposited bonds represented thereby, or in respect of the new bonds to be issued in exchange therefor under the plan, must, in such case, also be repaid with interest by the holders of such certificates of deposit before the deposited bonds represented by such certificates shall be surrendered in exchange therefor. Any assessments paid on deposited stock so withdrawn or the proceeds of the use thereof, shall be returned to the holders of certificates of deposit representing such deposited stock, less a *pro rata* share of the expenses and other expenditures and compensation of the Committee incurred up to the date of such withdrawal, which *pro rata* share shall be such as the Committee shall estimate to be properly applicable to the stock so withdrawn. All holders of certificates of deposit who shall not exercise this right to withdraw their securities within said time shall be deemed to have assented to and adopted such change or alteration and shall be bound thereby, and the Committee shall be fully

authorized to carry the same into effect with all the powers provided in this agreement.

Wherever the plan or this agreement is referred to in the plan or in this agreement, it shall be deemed to include any change or alteration thereof so adopted.

The plan may be abandoned by the Committee at any time notwithstanding it may have previously declared the same to be operative.

The Committee may at any time abandon such portions and features of the Reorganization as relate to any of the lines, or parts of lines, embraced in said plan, which lines or parts of lines, by reason of failure of holders to deposit securities affecting the same, or for any reason satisfactory to the Committee, it may deem expedient to omit from the Reorganization; and in such event the Committee shall, upon the surrender of the corresponding certificates of deposit and reimbursement of advances in respect to the bonds represented thereby, as above provided in case of withdrawals, return to the holders the deposited bonds secured upon the lines, or portions of lines, thus omitted, and the securities apportioned in the plan to the bonds thus returned shall not be issued.

In case the Committee shall finally abandon the entire plan, after having once declared it operative, the stock, bonds and securities deposited hereunder, or their proceeds, or any stock, bonds, securities, or claims representative thereof, then under the control of the Committee, shall be delivered to the several Depositors in amounts representing their respective interests upon surrender of their respective receipts or certificates. In such case the assessment moneys paid by the depositing stockholders, or any coupons, notes, Receivers' certificates, or other claims or property acquired therewith, or the proceeds thereof when received, shall be distributed or equitably adjusted among the respective holders of the receipts or certificates of deposit for stock in proportion to the amount of the assessment moneys paid thereon respectively.



EIGHTH. The action of a majority of the members of the Committee, expressed from time to time, either at a meeting or in writing with or without meeting, shall for all purposes constitute the action of the Committee, and have the same effect as if assented to by all. It may adopt its own rules of procedure. Any vacancy in the Committee may be filled by appointment in writing by the remaining members or a majority of them, and the Committee may by action of a majority of its members add to its number. All title, rights and powers vested in the Committee hereunder shall, from time to time, vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever. In case of absence, any member may vote by any other member as his proxy.

Any member of the Committee may at any time resign by giving notice in writing to a majority of the remaining members, and the Committee may give full release and discharge to any such member, or to the personal representative of any deceased member. The Committee may act through sub-committees or agents, and may delegate any authority, as well as discretion, to any such sub-committee or agent. The Committee, or the Depositaries, or any present or future member of either, may be member of the Committee or of the Depositaries, and all or any of them may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including any syndicate agreement, whether or not mentioned in the plan. Any direction given by the Committee shall be full and sufficient authority for any action of the Depositaries or any Trust Company or other custodian, or for any sub-committee or agent.

NINTH. The Committee undertakes in good faith to endeavor to carry out said Plan and this agreement, but the members of the Committee assume no personal responsibility for the execution thereof. No member of said Committee shall be liable in any case for the acts of the other members or of any other Committees or of any Depositary, nor for the acts of their agents, sub-committees or



employees; nor shall they be personally liable for any error of judgment or mistake of law, but each shall be liable only for his willful misfeasance. No Depositary shall be liable for the acts of the Committee or of any other Depositary hereunder, or of any agents of the Committee or of any Depositary.

The members of the Committee shall be entitled to receive reasonable compensation for their services, and such compensation, with the reasonable expenses of said Committee, shall be paid as part of the expenses of reorganization, the amounts of such compensation and expenses being first approved of by at least four members of the Committee. The accounts of the Committee shall be filed with the Board of Directors of the new Company, and, when audited by said Board of Directors, shall be binding and conclusive on all parties, and the Committee shall be thereby discharged, turning over to the new Company any balance in the hands of the Committee.

The acceptance of new securities by any Depositor shall estop such Depositor from questioning the conformity of such securities, as to character or otherwise, with any provision of said plan, and the acceptance of new securities by a majority in amount of any class of depositors shall so estop all Depositors of such class.

TENTH. All calls for the deposit of bonds and stocks, for the payment of assessments or for the surrender of certificates, all notices fixing or limiting the time for the deposit of securities or the payment of assessments, and all other calls or notices hereunder, shall, except when otherwise provided, be inserted in two or more daily papers of general circulation published in the City of New York, and in one or more daily papers of general circulation published in the cities of London, Boston, Amsterdam and Frankfort, respectively, twice in each week for two successive weeks. Any call or notice whatsoever, when so published by the Committee, shall be taken and considered as though personally served on all parties hereto and upon all parties becoming bound hereby, as of the respective dates

of insertion thereof, and such publication shall be the only notice required to be given under any provision of this agreement.

ELEVENTH. This agreement shall bind the Committee and their successors in office appointed in accordance herewith and the depositors hereunder, their and each of their heirs, executors, administrators, successors and assigns.

In witness whereof, the members of the Committee have hereunto signed their names, and all other parties hereto have deposited securities as above set forth.









# Marietta and North Georgia Railway Company.

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## OFFICE OF THE REORGANIZATION COMMITTEE.

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NEW YORK, November 13, 1895.

***To the Bondholders:***

The conditions prevailing during 1893 and 1894 made it impracticable for your Committee to carry out the plan of reorganization contemplated by the trust agreement under which your securities were deposited with the Atlantic Trust Company.

The litigation instituted by contractors in the courts of Tennessee, asserting liens prior to the mortgage debt to an amount in the aggregate exceeding \$300,000, further contributed to the embarrassments which confronted your Committee. The vigorous defense interposed resulted in the reversal by the appellate court of the judgment rendered in the District Court in favor of the contractors on the first trial, and on a retrial a judgment against the Company for approximately \$175,000 was finally rendered by the highest court to which the case could be carried, and this amount was decreed to be prior to the mortgage debt against that part of the Marietta and North Georgia road in the State of Tennessee.

There have been numerous attempts made to sell this property under the decree of foreclosure before the litigation was finally determined, and once since then with the upset price fixed at \$915,000, but without result. The Court has, however, recently reduced the upset price at which the property may be sold to \$700,000, and fixed the date of sale for November 23d inst.

The aggregate amount of Receiver's Certificates issued, claims adjudged to be prior to the mortgage debt, and the current liabilities of the Receiver, including expenses of the foreclosure, will aggregate upwards of \$900,000. The Committee may not be able to bid in the property at the upset price; but, on the contrary, be compelled to bid a larger sum, and for which eventuality provision must necessarily be made.

The operations of the road have been disappointing, but it is believed that with the increased equipment and the improvements contemplated by the modified plan, hereinafter referred to, the expenses of operation may be very largely reduced, and that, with new management, with the improved industrial conditions now prevailing, the revenues of the Company will be largely increased. It will, however, be imprudent to put any fixed charge upon this property beyond the amounts contemplated in the modified plan. A careful consideration of the requirements of the property and the necessity for placing it upon an absolutely safe basis has resulted in the adoption of the following plan of reorganization, which is herewith submitted for the approval of the Bondholders:

# MARIETTA AND NORTH GEORGIA RAILWAY COMPANY.

## MODIFIED REORGANIZATION PLAN.

Length of Main Line ..... 230½ Miles.

### EQUIPMENT:

17 Locomotives.	14 Coaches.
7 Baggage, Mail and Express Cars.	1 Parlor Coach.
1 Combination Coach.	94 Box Cars.
	60 Flat Cars.
34 Coal Cars.	

### TO BE TREATED IN REORGANIZATION:

First Mortgage Bonds, Georgia Division .....	\$369,000
Consolidated Bonds .....	3,821,000
Detached Interest Coupons allowed to participate in Decree .....	183,000
	<u>\$4,373,000</u>
COMMON STOCK, approximately .....	<u>\$3,000,000</u>

### ASSESSMENT:

On all Bonds 10 per cent., payable 5 per cent. December 15th and 5 per cent. on February 15th following. Interest at 5 per cent. per annum will be allowed on anticipated payments .....	\$437,300
Common Stock, \$2 per share, payable one-half December 15th and balance February 1st .....	60,000
Total realized .....	<u>\$497,300</u>

### New Securities to be issued by Reorganized Company:

(a.) First Mortgage Five Per Cent. Bonds, redeemable at 105 and interest at any interest period within five years .....	\$750,000
Additional Bonds for extension to Atlanta and for actual cost of terminals acquired in Atlanta and Knoxville authorized to be issued, \$500,000.	
(b.) Second Mortgage Five Per Cent. Bonds to be issued for assessment of 10 per cent. ....	450,000
(c.) First Preferred Stock to exchange for existing First Mortgage Bonds and Coupons on Georgia Division .....	600,000
(d.) Second Preferred Stock to exchange for Consolidated Bonds and Coupons .....	4,500,000
(e.) Common Stock, one share to be given for each two shares of old stock. ....	<u>1,500,000</u>



HOLDERS OF FIRST MORTGAGE BONDS PAYING ASSESSMENTS WILL RECEIVE FOR EACH \$1,000 AS FOLLOWS:

New Five Per Cent. Second Mortgage Bond.....	\$100
“ First Preferred Stock .....	1,000
“ First Preferred Stock for amount of accrued interest, about .....	300

CONSOLIDATED BONDS FOR EACH \$1,000:

New Five Per Cent. Second Mortgage Bonds .....	\$100
“ Second Preferred Stock .....	1,000

STOCKHOLDERS FOR EACH \$1,000, OR TEN SHARES:

First Preferred Stock.....	\$20 00
Common Stock.....	500 00

REQUIRED TO RETIRE EXISTING SECURITIES:

New Second Mortgage Bonds .....	\$450,000
“ First Preferred Stock .....	600,000
“ Second Preferred Stock .....	4,500,000
“ Common Stock .....	1,500,000

#### THE PLAN WILL PROVIDE:

Cash, approximately .....	\$500,000
And proceeds of new First Mortgage Bonds, \$750,000.....	675,000
with which the Committee will pay for the property at the foreclosure sale, say \$700,000, and after paying obligations of the Committee will leave approximately.....	425,000
to improve and further equip the property.	

The bond underwriters will receive a commission of five per cent. (5%), and have an option for ninety (90) days after confirmation of the foreclosure sale to acquire the new First Mortgage Bonds at 90. The stock underwriters will receive a commission of ten per cent.

The Committee reserves the right, if the same shall be requested by a majority in amount of the holders of the original First Mortgage Bonds of the Marietta and North Georgia Railroad, to provide for the issuance of a series of General Mortgage Bonds in lieu of and for the aggregate amount of the Second Mortgage Bonds and Preferred Stocks proposed to be issued:

Series “A” for the amount of the proposed Second Mortgage issue, to be preferred in payment, principal and interest, over series “B” and “C.”

Series “B” for the amount of the First Preferred Stock, to bear interest at the rate of five per cent. per annum, or so much thereof as shall be earned, and non-cumulative.



Series "C" for the amount of the proposed Second Preferred Stock, to be subject to both Series "A" and "B" in payment of principal and interest, which latter shall be at the rate of five per cent., or so much thereof as shall be earned, and non-cumulative.

The registered holders of all the bonds to have one vote for each \$100 of bonds.

The Committee believes the First Mortgage Bonds provided for by the plan to be readily salable at a reasonable price, and it is therefore enabled to reduce the assessment of bondholders to ten per cent. (10%), the least amount consistent with the extraordinary requirements provided for.

The extension of the road to Atlanta and the acquisition of terminals at that place, as well as at Knoxville, are necessary to place the property in condition to reap the full advantage of its local business and obtain a reasonable portion of the through business, which it can then handle advantageously. These improvements have been provided for under the plan.

It is proposed to underwrite the plan, and that the underwriters shall have an opportunity of designating the Committee who will have charge of its execution. They are also authorized in their discretion to create a voting trust through a Board of Trustees, until at least three years' interest shall have been paid out of earnings on the new First Mortgage Bonds, but not to exceed five years.

If you wish to participate in the underwriting syndicate the fact should be made known promptly to the Chairman of the Committee. In view of the early advertised sale of the road, immediate action on the part of the bondholders is necessary, and your acceptance of the plan by return mail is requested.

H. A. V. POST, *Chairman.*

NEWMAN ERB.

HENRY K. McHARG.

THOS. CARMICHAEL.

# REORGANIZATION

OF THE

## NORTHERN PACIFIC RAILROAD COMPANY.

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### REORGANIZATION COMMITTEE:

EDWARD D. ADAMS, *Chairman.*

JOHN C. BULLITT,

LOUIS FITZGERALD,

CHARLES H. GODFREY,

J. D. PROBST,

JAMES STILLMAN,

ERNST THALMANN.

CHARLES C. BEAMAN,

WM. NELSON CROMWELL,

*Counsel to the Reorganization Committee.*

ARNOLD MARCUS,

*Secretary.*

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### PROTECTIVE COMMITTEE:

BRAYTON IVES, *Chairman,*

AUGUST BELMONT,

GEORGE R. SHELDON,

CHARLEMAGNE TOWER, JR.,

SILAS W. PETTIT,

*Counsel.*

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### DEPOSITARIES:

J. P. MORGAN & CO., NEW YORK.

DREXEL & CO., PHILADELPHIA.

DEUTSCHE BANK, BERLIN,

AND ITS BRANCHES AT

FRANKFORT-ON-MAIN, BREMEN, HAMBURG, MUNICH AND LONDON.

FRANCIS LYNDE STETSON,

VICTOR MORAWETZ,

*Counsel to the Reorganization Managers.*

NEW YORK, March 16, 1896.

REORGANIZATION  
OF THE  
NORTHERN PACIFIC RAILROAD COMPANY.

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ANNOUNCEMENT BY THE REORGANIZATION COMMITTEE,  
Pages 3 to 6.

PLAN OF REORGANIZATION,  
Pages 7 to 16.

STATISTICS OF THE NORTHERN PACIFIC RAILROAD COMPANY,  
Pages 17 to 21.

REORGANIZATION AGREEMENT,  
Pages 23 to 29.

OFFICE OF THE  
**Northern Pacific Reorganization Committee,**  
MILLS BUILDING, NEW YORK,

March 16th, 1896.

*To the Holders of the  
BONDS and STOCKS  
issued or guaranteed by the  
NORTHERN PACIFIC RAILROAD COMPANY:*

The property of the Northern Pacific Railroad Company comprises, in various forms of ownership and control,

A Railway System of 4,706 miles;

A Land Grant of about 43,000,000 acres, and

Sundry Bonds, Stocks and Accounts, representing interests in Terminal, Express, Coal and Navigation Companies.

This property is represented by fifty-four corporations, which have issued \$380,000,000 of Bonds and Stocks, of which all are now outstanding, and \$271,949,044, including defaulted interest to December 31, 1896, are owned directly by the public.

The present fixed Annual Interest and Sinking Fund Charges amount to..... \$10,905,690 00

The adjusted Net Income from all sources applicable to these Fixed Charges

has been:

For the Fiscal Year ending June 30, 1895..... 6,015,846 62

And during the past five years has averaged..... 7,801,645 78

## THE PLAN FOR INDEPENDENT REORGANIZATION

OF THE PROPERTY HAS BEEN DRAWN UPON THE FOLLOWING BASIS:

*First.*—THE ABANDONMENT OF CHICAGO AS THE EASTERN TERMINUS, AND THE LIMITATION OF THE RAILWAY ON THE EAST BY THE MISSISSIPPI RIVER AND THE GREAT LAKES.

The Bonds and Stocks of the Chicago & Northern Pacific Railroad Company and the Chicago & Calumet Company, or their successor companies, remaining as Northern Pacific assets, will be disposed of when they can be sold advantageously, and their proceeds applied to the benefit of the property.

*Second.*—THE ULTIMATE UNION OF MAIN LINE, BRANCHES AND TERMINAL PROPERTIES THROUGH DIRECT OWNERSHIP BY A SINGLE COMPANY.

So far as practicable the ownership in fee, or otherwise, of the Equipment, Branch Line and Terminal properties (other than the Portland terminal) will be acquired and vested in the new Company and covered by its new mortgages.



*Third.*—THE REDUCTION OF THE FIXED ANNUAL CHARGES TO LESS THAN THE MINIMUM EARNINGS UNDER PROBABLE CONDITIONS.

The Net Income applicable to Fixed Charges has fluctuated from \$10,067,408.37 in the fiscal year 1891-92 to \$4,449,999.04 in 1893-94. The average of the past five years has been \$7,801,645.78.

The smallest results were brought about by the well-known combination of currency panic, floods, social disorders and short crops, all of which are unlikely to occur again at any one time.

The net income during the last fiscal year, 1894-95, as shown on page 20, was .....	\$5,657,483 49
To which should be added allowance for extraordinary expenses of the receiverships, of...	358,363 13

Thus making the adjusted Net Income of that year .....	\$6,015,846 62
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The gross earnings of the present fiscal year show an increase of about 16 per cent. over the gross earnings for the same period of the previous year.

The fixed annual charges under the Plan of Reorganization, when fully carried out (exclusive of bonds reserved for new construction), will amount to \$6,052,660.

*Fourth.*—AMPLE PROVISION FOR ADDITIONAL CAPITAL AS REQUIRED IN A SERIES OF YEARS FOR THE DEVELOPMENT OF THE PROPERTY AND FOR THE GREATER FACILITIES NECESSITATED BY AN INCREASED BUSINESS.

In their report of September last, the Receivers state "that provision should be made for extraordinary expenditures in the next five years of \$9,000,000, in order to place the property on an equal footing with its rivals for economical operation."

#### RAILWAY SYSTEM AND ITS MORTGAGE LIENS.

The railroad of the Northern Pacific system is composed of

Main Line,	45.73%	2,152.35 miles.
Branches,	54.27%	2,554.09 "
	<hr/>	<hr/>
	100. %	4,706.44 miles.

The General First, Second and Third Mortgage Bonds are secured by liens in their respective order upon the Land Grant and upon the Main Line railroad, as above.

The Consolidated Mortgage Bonds are secured by a fourth lien upon the Land Grant and upon the Main Line railroad, and also by the pledge of First Mortgage Bonds upon various Branch Lines having an aggregate length of 1,415.85 miles.

None of the four mortgages cover (except by leasehold) any of the terminal properties owned by the St. Paul & Northern Pacific Railroad Company, the Northern Pacific Terminal Company of (Portland) Oregon, or the Northern Pacific & Manitoba Terminal (Winnipeg), all of which are owned by separate organizations.

There are other branch roads comprising 1,138.24 miles, the bonds of which are directly owned by the public.

## UNITED STATES LAND GRANT.

The Public Lands granted by the United States to the Northern Pacific Railroad Company under its charter July 2, 1864, amounted to 12,800 acres to the mile of track in the States of Minnesota and Oregon, and 25,600 acres per mile in the intermediate Territories.

It is estimated that under this grant the Company is entitled to receive about 43,000,000 acres, of which 22,823,115 acres have been selected as belonging to the Northern Pacific Railroad Company. Of these, United States patents, vesting the title to the fee of such lands in the Company, have been received for 15,939,189 acres.

The operations of the Land Department, as shown on page 21, during the past five years show that from all sources (exclusive of proceeds of sales applicable to the Preferred Stock, or by Trustees of Prior Mortgages to their interest and sinking funds), the total Income was.....\$3,076,308 37 while the Expenses and Taxes amounted to..... 1,304,145 39

leaving for the Sinking Fund of the General First Mortgage only.....\$1,772,162 98 while for the same period the requirements thereunder amounted to..... 3,272,860 00

This Deficiency in Proceeds from Land Sales, amounting to.....\$1,500,697 02 was supplied from the Net Earnings of the Operating Department of the Railroad Company.

Of late the diminution of sales of lands applicable to this and other mortgages, has thrown upon the transportation earnings of the Company the burden of their Sinking Fund charges.

These charges, with the other Sinking Fund obligations to the public, amounting to \$1,463,763 per annum, will be entirely relieved by the full operation of the Plan of Reorganization.

None of the new bonds will be subject to drawing or compulsory redemption prior to their regular maturity, a feature now quite generally recognized by investors as most desirable. At the same time they will, after the retirement of the present General First Mortgage Bonds, receive all the benefits of the land sales through the mortgage provision that one-half the proceeds thereof, not exceeding \$500,000 in any one year, shall be used in the purchase, at not exceeding 110 per cent., and the cancellation, of Prior Lien 4 per cent. Bonds, and when these are not obtainable, then in the purchase, at not exceeding 100 per cent., and the cancellation, of General Lien 3 per cent. Bonds, and that the remainder shall be used for betterments and additions to the mortgaged property.

As it now stands, the System in its form of incorporation and capitalization, is a development without method or adequate preparation for growth. Scarcely any single security is complete in itself. The Main Line Mortgages cover neither feeders or terminals. The Terminal Mortgages may be bereft of their Main Line support. The Branch Line Bonds are dependent upon the Main Line for interchange of business, and the Main Line owes a large part of its business to the Branch Lines.

The principal object of the Reorganization Committee has been to preserve the integrity of the System. The Plan now presented for the reorganization of the property is founded upon the idea that its unification means its preservation and prosperity, both of which, it is believed, can now be thus permanently accomplished with the best possible security and results for all interests.

The conversion of the General First Mortgage Bonds upon the terms set forth in the Plan\* is recommended by Messrs. J. P. Morgan & Co., August Belmont & Co. and Winslow, Lanier & Co., who originally issued those bonds, as well as by the German Committee of General First Mortgage Bondholders.

The Plan has been prepared with the approval and coöperation of Messrs. J. P. Morgan & Co. and the Deutsche Bank.

The Plan has received the approval of the representatives of a majority of the Bondholders of the three Main Line mortgages in process of foreclosure (the General Second, General Third and Consolidated Mortgages), and of other important interests affected by the terms of reorganization.

It has also received the approval of the interests represented by the Protective Committee.

Messrs. J. P. Morgan & Co. and the Deutsche Bank have formed the necessary Syndicate of \$45,000,000, and Messrs. J. P. Morgan & Co. will act as Reorganization Managers.

EDWARD D. ADAMS, *Chairman.*

JOHN C. BULLITT,

LOUIS FITZGERALD,

CHARLES H. GODFREY,

J. D. PROBST,

JAMES STILLMAN,

ERNST THALMANN,

*Reorganization Committee.*

The undersigned Protective Committee hereby join in recommending the prompt acceptance of the accompanying Plan and Agreement.

BRAYTON IVES, *Chairman.*

AUGUST BELMONT,

GEORGE R. SHELDON,

CHARLEMAGNE TOWER, JR.,

*Protective Committee.*

SILAS W. PETTIT,

*Counsel.*

NEW YORK, March 16th, 1896.



# PLAN FOR THE REORGANIZATION OF THE NORTHERN PACIFIC SYSTEM.

## CONDITIONS OF PARTICIPATION.

Participation under this Plan of Reorganization in any respect whatsoever is dependent on the deposit of securities with one of the Depositaries, Messrs. J. P. MORGAN & CO., 23 Wall Street, New York, Messrs. DREXEL & CO., Fifth and Chestnut Streets, Philadelphia, the DEUTSCHE BANK, Berlin, and its Branches at Frankfort-on-Main, Bremen, Hamburg, Munich and London, within such time as may be fixed by notice, and will embrace only securities so deposited.

No securities will be received on deposit unless in negotiable form, and bonds must carry all unpaid coupons.

Pursuant to the arrangement with a Syndicate, hereinafter stated:

As consideration for shares of the new Company as hereinafter indicated, Depositors of Preferred Stock must also pay \$10 per share for new Preferred and Common Stock, and Depositors of Common Stock must pay \$15 per share for new Common Stock.

The payments by Depositors of such Common and Preferred Stock must be made at the offices of Messrs. J. P. Morgan & Co., New York, or Messrs. Drexel & Co., Philadelphia, or of the Deutsche Bank, Berlin and London, at the option of each depositing stockholder, in not less than three instalments, at least thirty days apart, when and as called for by advertisement in each instance at least twice a week for two weeks in two of the daily papers of general circulation published in the Cities of New York, Philadelphia, London and Berlin, respectively.

All payments must be receipted for by one of the Depositaries on the Certificates of Deposit.

Failure to pay any installment when and as payable will subject the deposited stock and all rights on account of any prior payments to forfeiture, as hereinafter provided.

Holders of Certificates of the Mercantile Trust Company of New York for General Second, General Third and Consolidated Mortgage Bonds, deposited under the existing Bondholders' Agreement of February 19, 1894, will be entitled to the benefits of this Plan without the issue of new receipts or certificates, provided, that if hereafter required by the Managers and within the time limited therefor, such existing certificates be produced to one of the Depositaries and stamped as assenting to this Plan.

All holders of General Second, General Third and Consolidated Mortgage Bonds who have not already deposited their bonds with the Mercantile Trust Company of New York under the existing Bondholders' Agreement, shall, by delivery of their bonds to the Depositaries, be deemed to deposit their bonds under said Bondholders' Agreement, and, for the bonds deposited, will receive Certificates of said Trust Company issued under that agreement, duly stamped by one of the Depositaries as assenting to this Plan.

The Depositaries will issue negotiable receipts for all other securities deposited with them.

The holders of receipts heretofore issued by the New York Security and Trust Company of New York for General Second Mortgage Bonds, and by the New York Guaranty and Indemnity Company for General Third Mortgage Bonds, must surrender the same to one of the Depositaries and must obtain suitable new certificates hereunder in exchange therefor, in order to entitle them to any benefit of this Plan. Bonds represented by such receipts not actually delivered to the Depositaries will not be entitled to participation herein.



## NEW RAILROAD COMPANY.

At the discretion of the Managers, the various properties will be sold under one or more of the several mortgages in default, or otherwise dealt with, and a successor company will be organized.

Pending their use for reorganization purposes, the securities deposited hereunder will be delivered by the Depositaries to one or more Trust Companies, to be held by them respectively subject to the order and control of the Managers.

All securities deposited under the Plan are to be kept alive so long as deemed necessary for the purpose of reorganization.

## NEW STOCKS AND BONDS.

The new Company is to authorize the following securities:

*First.* PRIOR LIEN ONE HUNDRED YEAR 4 PER CENT. GOLD BONDS FOR \$130,000,000.\*

*These bonds are to be secured by a mortgage upon the Main Line, Branches, Terminals, Land Grant, Equipment, and other property, embraced in the reorganization as carried out, and also upon all other property thereafter acquired by the use of any of the bonds to be issued under both the new mortgages.*

The present General First Mortgage covers only the main line, land grant and the equipment so far as owned by the Company.

The proceeds of the lands applicable to the new bonds after the retirement of the General First Mortgage Bonds (as provided below) will be applied, one-half, but not in any one year exceeding \$500,000, to the purchase of the Prior Lien 4 per cent. Bonds at not exceeding 110 per cent., and their cancellation, and the remainder, under carefully guarded restrictions in the mortgage, will be used for betterments and additions to the property pledged as security for the bonds.

Whenever these bonds cannot be purchased at the maximum price, the unapplied land proceeds for that year will be used to purchase the General Lien 3 per cent. Bonds at not exceeding 100 per cent. and their cancellation.

These bonds are to be appropriated approximately as follows:

To retire an equal amount of General First Mortgage Bonds.....	\$41,879,000
To provide for the conversion and, so far as necessary, for the Sinking Fund of the General First Mortgage Bonds (any amount not so used to be added to the reserve for new construction, etc.).....	14,657,650
For the payment of Receivers' Certificates and Equipment Trust, and the conversion of the Collateral Trust Notes and General Second Mortgage Bonds.....	40,040,350
Total present issue under the Plan.....	<u>\$96,577,000</u>
Reserved to provide at their maturity for an equal amount of Bonds of the St. Paul & Northern Pacific Railroad Company.....	8,423,000
Estimated amount to be reserved for new construction, betterments, equipment, etc., under carefully guarded restrictions in the mortgage, and to the extent of not exceeding \$1,500,000 per annum.....	25,000,000
Total authorized issue.....	<u>\$130,000,000</u>

\* Bonds will be issued in the following denominations: Coupon Bonds of \$500 and \$1,000, with privilege of conversion into Registered Bonds of \$1,000 and \$10,000.

All interest will be payable quarterly, and both principal and interest will be payable in United States gold coin of the present standard of weight and fineness, without deduction for any taxes which the Railroad Company may be required to pay or retain therefrom.

*Second.* GENERAL LIEN 150 YEAR 3 PER CENT. GOLD BONDS\*, limited in amount to \$60,000,000, in addition to a reserve for the 100 year 4 per cent. Prior Lien Mortgage of \$130,000,000.

These bonds are to be secured by a mortgage second in lien to the Prior Lien Mortgage, and covering the same property.

They are to be appropriated approximately as follows:

For the conversion of the General Third Mortgage Bonds, Dividend Certificates, and the Consolidated Mortgage and Branch Line Bonds under the Plan.....	\$56,000,000
Estimated amount to be reserved under carefully guarded restrictions in the mortgage, for new construction, betterments, equipment, etc.....	4,000,000
Total issue in excess of Prior Lien Bonds.....	60,000,000
Reserved to provide for the Prior Lien Bonds at their maturity in 100 years.....	130,000,000
Maximum amount of both Mortgages.....	\$190,000,000

*Third.* PREFERRED STOCK, 4 PER CENT. NON-CUMULATIVE, limited in amount, under this Plan, to not exceeding \$75,000,000, which amount can be increased only with the consent of the Preferred and Common Stockholders, as hereinafter set forth. All the Preferred Stock will be in shares of \$100 each, and will be registered and transferable, at the option of the holder, either in New York or at the Deutsche Bank, Berlin. Dividends upon stock registered in Berlin may be collected there at the rate of 4.20 marks per dollar.

Each share of this Preferred Stock will be entitled to non-cumulative dividends to the extent of four per cent. per annum, payable quarterly out of surplus net earnings in each fiscal year before any dividends for such year shall be paid on the Common Stock, and without deduction for any United States, State or municipal taxes that the Railroad Company may at any time be required to pay or retain therefrom.

In any fiscal year in which four per cent. dividends shall have been declared on both preferred and common stock, all shares, whether preferred or common, shall participate equally in any further dividends for such year.

Provision will be made that after the termination of the Voting Trust hereinafter provided for, the Preferred Stock is to have the right to elect a majority of the Board of Directors of the new Company whenever for two successive quarterly periods the full and regular quarterly dividends upon the Preferred Stock, at the rate of four per cent. per annum are not paid in cash.

The right will be reserved by the new Company to retire this stock, in whole or in part, at par, from time to time, upon any first day of January during the next twenty years.

The Preferred Stock will be appropriated approximately as follows:

For conversion and adjustment of various Main Line and Branch Line Mortgage Bonds and the defaulted interest thereon, and other purposes, as provided in the Plan....	\$72,500,000
Estimated amount which may be used for reorganization purposes or may be available as a Treasury asset of the new Company .....	2,500,000
	\$75,000,000

*Fourth.* COMMON STOCK to the amount of not exceeding \$80,000,000, in shares of \$100 each.

This stock will be appropriated approximately as follows:

For purposes of reorganization, as provided in the Plan.....	\$77,500,000
Estimated amount which may be used for reorganization purposes or may be available as a Treasury asset of the new Company .....	2,500,000
	\$80,000,000

\* Bonds will be issued in the following denominations: Coupon Bonds of \$500 and \$1,000, with privilege of conversion into Registered Bonds of \$1,000 and \$10,000.

All interest will be payable quarterly, and both principal and interest will be payable in United States gold coin of the present standard of weight and fineness, without deduction for any taxes which the Railroad Company may be required to pay or retain therefrom.

## VOTING TRUST.

In furtherance of this independent reorganization and the administration of the property and of the securities, both classes of stock of the new Company (except such number of shares as may be disposed of to qualify directors) are to be vested in the following five Voting Trustees: J. Pierpont Morgan, Georg Siemens, August Belmont, Johnston Livingston and Charles Lanier.

In the event of the death of any person designated as a Voting Trustee, prior to the creation of the Voting Trust, the vacancy shall be filled as provided in the Reorganization Agreement hereunto annexed, and which is comprised in and forms part of this Plan, with the same force and effect as though herein set forth at length. The stock shall be held by the Voting Trustees and their successors, jointly (under a trust agreement prescribing the powers and duties to be exercised by them, or by a majority of them, and the method of filling vacancies), for five years, although the Voting Trustees, in their discretion, may deliver the stock at any earlier date. Until delivery of stock is made by the Voting Trustees, they shall issue Stock Trust certificates entitling the registered holders to receive, at the time therein provided, stock certificates for the number of shares therein stated, and in the meanwhile to receive payments equal to the dividends collected by the Voting Trustees upon a like number of shares, which shares, however, with the voting power thereon, shall be vested in the Voting Trustees until the stock shall become deliverable, as provided in such Trust Agreement and certificates of the Voting Trustees.

## RESTRICTIONS AS TO ADDITIONAL MORTGAGE DEBT AND PREFERRED STOCK.

Provision is to be made that no additional mortgage shall be put upon the property to be acquired hereunder, nor the amount of the Preferred Stock authorized under this Plan be increased, except, in each instance, after obtaining the consent of the holders of a majority of the whole amount of the Preferred Stock, given at a meeting of the Stockholders called for that purpose, and the consent of the holders of a majority of such part of the Common Stock as shall be represented at such meeting, the holders of each class of stock voting separately. During the existence of the Voting Trust, the consent of holders of like amounts of the respective classes of beneficial certificates shall also be necessary for the purposes indicated.



## ESTIMATE OF TOTAL NEW CAPITALIZATION,\*

UNDER THE PLAN WHEN FULLY CARRIED OUT

(Exclusive of bonds and stock reserved for new construction, etc.)

<i>Securities.</i>	<i>Amount.</i>	<i>Annual Interest and Dividend.</i>
Prior Lien Bonds†.....	\$105,000,000	\$4,372,660
General Lien Bonds.....	56,000,000	1,680,000
Total Bonds.....	161,000,000	6,052,660
Preferred Stock.....	\$72,500,000	2,900,000
Common Stock.....	77,500,000	
Total Stock.....	150,000,000	
Total Capitalization.....	\$311,000,000	
Total Annual Charges prior to the Common Stock.....		\$8,952,660

† Including \$8,423,000 St. Paul and Northern Pacific Bonds.

## ESTIMATE OF AMOUNT AND CHARGES PER MILE.\*

<i>Securities.</i>	<i>Amount per mile.</i>	<i>Interest and Dividend per mile.</i>
Prior Lien Bonds.....	\$22,310	\$929
General Lien Bonds.....	11,899	357
Total Bonds, per mile.....	34,209	1,286
Preferred Stock.....	\$15,404	616
Common Stock.....	16,467	
Total Stock, per mile.....	31,871	
Total Capital per mile.....	\$66,080	
Annual Charges per mile prior to Common Stock.....		\$1,902

\* These calculations are based upon 4,706.44 miles, and are consequently subject to variation according to the actual mileage finally embraced in the reorganization.



## APPLICATION OF SECURITIES.

The following details show the disposition to be made under the Plan of the securities of the new Company.

As a consideration for the property and securities to be conveyed or delivered to the new Company, or which, pursuant to the Plan, the new Company shall acquire, it is contemplated that the new Company shall deliver the new bonds and stock, excepting the new bonds to be reserved to take up such of the existing securities as are not disturbed, and such final amounts as shall be reserved for the future use of the new Company.

The requisite deliveries of the new securities to depositors and subscribers under the Plan will thus be provided for.

## GENERAL FIRST MORTGAGE BONDS.

*Privilege of Conversion.*

The present General First Mortgage Bonds mature in 1921, but are redeemable by compulsory drawings at any time at 110 per cent. from the proceeds of land sales or the fixed annual contribution by the Company to the Sinking Fund.

These compulsory redemptions in the past have been a disturbing factor in all calculations for investment purposes, and the inauguration of a new and vigorous policy for the sale of the lands may be expected from this time forward greatly to increase the amount of such redemptions.

In some years these redemptions have required large contributions from the Operating Department, to the extent even of the entire amount of the Sinking Fund, a sum which would provide for the annual interest on about \$19,000,000 of Prior Lien Bonds as now proposed. It is manifestly to the benefit of the holders of General First Mortgage Bonds to secure an investment of longer continuance and it is also to the benefit of all subsequent securities to diminish this unnecessarily large burden of annual fixed charge.

To relieve the bondholders from these calls for redemption, which prevent their bonds from reaching the high price they would otherwise command, and to relieve the Company from the burden of the Sinking Fund requirements, and permit the use of a portion of the proceeds of land sales for the benefit of the property,

*Holders of the General First Mortgage Bonds are now offered the privilege of converting or exchanging their bonds for the new Prior Lien 100-year 4 per cent. Gold Bonds, at the rate of \$1,000 old bonds (coupon or registered) for \$1,350 of new bonds.*

To avail of this offer, holders must deposit their bonds as provided on page 7 hereof.

Bonds deposited for conversion under this privilege will be entitled to receive on April 1st next, a cash payment of \$30 per \$1,000 bond so deposited in lieu of the six months' interest that would mature July 1 next on such bond. The first coupon on the Prior Lien Bonds offered in exchange for General First Mortgage Bonds will be payable October 1 next, and in case of any delay in the reorganization, payments equal to the amount of such new coupons will be made on that date and quarterly thereafter until the new bonds are delivered. These payments will, in the absence of other provision, be made by the Syndicate, which will reimburse itself out of the present General First Mortgage coupons as collected.

*The right is expressly reserved to modify these terms or to terminate the privilege at any time, and without notice.*

The old bonds now outstanding are at the rate of about \$20,466 per mile. The Prior Lien Bonds, including those reserved for the St. Paul and Northern Pacific Bonds (but not including those to be reserved for new construction, etc.), will, on the basis of 4,706 miles, amount to about \$22,310 per mile, and will cover all the Equipment and the Branches and Terminals as proposed under the Plan.

It is not sought in any way to enforce a conversion of the present General First Mortgage Bonds, and this offer is made solely upon the belief that on the terms proposed such conversion, while advantageous to the Company, is also manifestly to the advantage of bondholders so converting.

The fixed charges for interest and sinking funds on the present General First and Divisional Mortgage Bonds are at the rate of \$1,618 per mile per annum, while it is estimated that they will amount to only \$929 per mile per annum on the Prior Lien Bonds.

The advantage is obvious of a mortgage resting upon a complete and entire system, including Main Line and all branches brought into the new Company, together with Terminals, Land Grant and Equipment, and having over \$200,000,000 of bond and share capital behind it, securing a gold bond running for one hundred years, as compared with a bond at all times liable to compulsory retirement, and secured by only part of the system.

#### NORTHWEST EQUIPMENT COMPANY.

The shares deposited under the Plan to be purchased at par flat as of June 1, 1896, payable, with interest from that date at 6 per cent. per annum, at any time, in the discretion of the Managers, on or before completion of reorganization.

#### COLLATERAL TRUST NOTES.

Those deposited under the Plan to receive—

- 3 per cent. in cash May 1, 1896, and 4 per cent. in cash January 1, 1897.
- 100 per cent. in Prior Lien 4 per cent. Bonds.
- 20 per cent. in Preferred Stock Trust Certificates.

#### GENERAL SECOND MORTGAGE BONDS.

Those deposited under the Plan to receive—

- 4 per cent. in cash within sixty days after the Plan has been declared operative.
- 118½ per cent. in Prior Lien 4 per cent. Bonds.
- 50 per cent. in Preferred Stock Trust Certificates.

#### GENERAL THIRD MORTGAGE BONDS.

Those deposited under the Plan to receive—

- 3 per cent. in cash within sixty days after the Plan has been declared operative.
- 118½ per cent. in General Lien 3 per cent. Bonds.
- 50 per cent. in Preferred Stock Trust Certificates.

#### DIVIDEND CERTIFICATES.

Those deposited under the Plan to receive—

- 3 per cent. in cash within sixty days after the Plan has been declared operative.
- 118 per cent. in General Lien 3 per cent. Bonds.
- 50 per cent. in Preferred Stock Trust Certificates.

#### CONSOLIDATED MORTGAGE BONDS.

Those deposited under the Plan to receive—

- 1½ per cent. in cash within sixty days after the Plan has been declared operative.
- 66½ per cent. in General Lien 3 per cent. Bonds.
- 62½ per cent. in Preferred Stock Trust Certificates.

Except as collected out of the coupons, the Managers will have a lien upon deposited securities for cash advanced as above provided, after the Plan shall have been declared operative.

Interest on all new Bonds to be delivered in exchange for old securities will, unless otherwise stated, accrue from January 1, 1897, and will be payable on or before completion of reorganization.

Equitable cash settlements will be made for fractional amounts of new bonds and stocks accruing to depositors.

#### BRANCH ROAD BONDS.

Holders of the Bonds issued by the following Companies are requested to communicate with Messrs. J. P. Morgan & Co., New York, or with the Deutsche Bank, Berlin, giving the amount of their holdings, and stating whether held in Bonds or Certificates of Deposit:

Central Washington Railroad Company.  
 Cœur d'Alene Railway & Navigation Company. *{ 1st 100% flat Gen'l 1st 100% new of July 1st 96 }*  
 Duluth & Manitoba Railroad Company (Minnesota Division). *10% of prin p July 1st 96 }*  
 Duluth & Manitoba Railroad Company (Dakota Division). *10% of prin. " " 1896 }*  
 Helena & Red Mountain Railroad Company. *100% in Pfd stock*  
 James River Valley Railroad Company. *50% in 3s 50% in Pfd*  
 Northern Pacific & Montana Railroad Company. *50% in 3s 50% in Pfd*  
 Northern Pacific & Manitoba Railway Company Terminal Bonds. *50% in 3s 50% in Pfd*  
 Seattle, Lake Shore & Eastern Railroad Company. *Road sold acquired by Com of Bondholder independent of N.P. & M. Co.*  
 Spokane & Palouse Railway Company. *52 1/2% cash p Jan 1st 97 52 1/2% in 3s 25% in*

None of these Branch Roads (Seattle, Lake Shore & Eastern alone excepted) owns any considerable amount of equipment; all require more or less expenditure for the restoration of their track, roadbed, stations, etc., to proper condition; all are deficient in their rights of way; some have general traffic all the year, while others are dependent mainly upon the special business of a few months annually; and some earn varying rates of interest upon their cost.

In order to deal equitably with the holders of these Branch Bonds, it is deemed necessary to consider each case separately, and upon its own individual merits.

After hearing from a large proportion of each class of these bondholders, steps will be taken to arrive at some fair basis of adjustment, for which General Lien 3 per cent. Bonds and new Preferred Stock Trust Certificates have been reserved under this Plan.

#### PREFERRED STOCK.

Upon completion of the reorganization, the Reorganization Managers in behalf of the Syndicate will deliver to each Depositor of one share (\$100) of Preferred stock—

\$50 in new Preferred Stock Trust Certificates, and

50 in new Common Stock Trust Certificates,

in consideration of his payment therefor of \$10 per share, as provided on page 7 of this Plan.

#### COMMON STOCK.

Upon completion of the reorganization, the Reorganization Managers, in behalf of the Syndicate, will deliver to the Depositor of each share (\$100) of old Common Stock one share (\$100) of new Common Stock Trust Certificate, in consideration of his payment therefor of \$15 per share, as provided on page 7 of this Plan.



In addition to the payment of all defaulted interest to January 1, 1897, in cash and New Mortgage Bonds, the holders of the three Main Line Mortgage Bonds in default will receive a considerable increase of principal with the following annual income :

Old Securities.	Fixed Interest.				Income contingent upon Dividends on New 4 % Preferred Stock.		Total Income.	
	Prior Lien 4 % Bonds.		General Lien 3 % Bonds.		Amount.	Per cent.	Amount New Securities.	Per cent. on Old Securities.
	Amount.	Per cent.	Amount.	Per cent.				
\$100 Seconds receive*	\$100	4.00			\$50 00	2.00	\$150 00	6.00
\$100 Thirds receive*.			\$100	3.00	50 00	2.00	150 00	5.00
\$100 Consols receive*.			50	1.50	62 50	2.50	112 50	4.00

\* In addition to amounts allowed for coupons.

The position of the holders of the Common Stock of the new Company in relation to fixed annual charges for interest and sinking funds under the Plan, as compared with the position of the holders of the Common Stock of the present Company, is as follows :

Fixed Charges and Preferred Dividends.	Old Company.	New Company.	Reductions.	
			Amount.	Per Cent.
Fixed annual charges prior to dividends upon the Preferred Stocks.....	\$10,905,690	\$6,052,660	\$4,853,030	44.50%
Required for annual dividends upon the Preferred Stocks.....	2,819,064	2,900,000	80,936*	2.87%*
Total fixed charges and dividends upon the Preferred Stocks, prior to dividends upon the Common Stocks.....	\$13,724,754	\$8,952,660	\$4,772,094	34.77%

\*Increase.

The compensation to be paid to Messrs. J. P. Morgan & Co. and the Deutsche Bank for their respective services as Managers and as Depositaries of securities has been fixed at one-quarter ( $\frac{1}{4}\%$ ) of one per cent. upon the par value of the securities deposited under the Plan and of the new securities issued in exchange therefor, but not, in any event, to exceed \$1,000,000 in all for such compensation to both parties.



## SYNDICATE.

A syndicate has been formed by Messrs. J. P. Morgan & Co., of New York, and the Deutsche Bank, of Berlin, to the subscribed amount of \$45,000,000, to provide the amounts of cash estimated as necessary (1) to carry out the terms of the Plan of Reorganization, and (2) to furnish the new Company with Cash working capital and with a sum estimated at \$5,000,000 for early use in betterment and enlargement of its property.

NEW YORK, March 16, 1896.

# MILEAGE OF THE NORTHERN PACIFIC SYSTEM.

Main Line.....	45.73%	.....	2,152.35 miles.
Branches .....	54.27%	.....	2,554.09 miles.
Owned.....	100.00%	.....	4,706.44 miles.

## FIRST, SECOND AND THIRD MORTGAGES.

	<i>Mileage.</i>	<i>Total.</i>
Main Line mileage.....	2,136.46	
Cokedale Spur .....	3.59	
Carlton to Duluth, one-half of 24.60 .....	12.30	
		2,152.35

## CONSOLIDATED MORTGAGE.

A fourth lien on the above mileage and a first lien on the following mileage through the ownership of Bonds of the Branch Roads:

Little Falls & Dakota R. R.....	89.08
Northern Pacific, Fergus & Black Hills R. R.....	117.05
Fargo & South-Western R. R.....	87.41
Sanborn, Cooperstown & Turtle Mountain R. R.....	36.75
Jamestown & Northern R. R. Co.....	102.59
Northern Pacific, La Moure & Missouri River R. R.....	21.30
South-Eastern Dakota R. R.....	14.84
Jamestown & Northern Extension R. R.....	18.03
Helena & Jefferson County R.R. Co.....	20.58
Rocky Mountain R. R. of Montana.....	52.61
Spokane Falls & Idaho R. R.....	14.39
Clealum R. R.....	5.30
Northern Pacific & Cascade R. R.....	17.37
Green River & Northern R. R.....	11.87
Tacoma, Orting & South-Eastern R. R.....	7.65
Rocky Fork & Cooke City R. R.....	45.43
Northern Pacific & Puget Sound Shore R. R.....	43.08
Duluth, Crookston & Northern R. R.....	44.51
United Railroads of Washington .....	181.93
Northern Pacific & Manitoba R. R.....	263.54
Spokane & Palouse R. R., Idaho Division.....	61.61

A proportionate first lien on the following mileage, based on part ownership of the Bonds outstanding:

Central Washington R. R.....	108.54
Northern Pacific & Montana R. R.....	354.38
	462.92

Proportion covered by Consolidated Mortgage..... 158.93

*Total mileage covered by Consolidated Mortgage..... 1,415.85*

## BRANCH ROAD BONDS OWNED BY PUBLIC.

*A first lien on the following mileage:*  
*Proportion of—*

Central Washington R. R.	} as above.....	303.99
Northern Pacific & Montana R. R.		
Spokane & Palouse R. R., in Washington.....		89.33
Cœur d'Alene Railway & Navigation Co.....		49.59
Helena & Red Mountain R. R.....		17.08
James River Valley R. R.....		63.75
Duluth & Manitoba R. R.....		205.77
Seattle, Lake Shore & Eastern R. R. Co.....		227.03
St. Paul & Northern Pacific R. R. Co.....		181.70
		<hr/>
		1,138.24
<i>Total mileage owned.....</i>		<hr/>
		4,706.44

## MILEAGE NOT OWNED.

*Operated by Trackage Rights:*

Carlton to Duluth.....	12.30
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## TRACKS AND TERMINALS RENTED.

St. Paul Union Depot . . . . .	.56	
Great Northern Railway . . . . .	12.12	
Minneapolis Union Railway Co . . . . .	2.60	
Minn. & St. Louis Railway Co . . . . .	1.62	
Northern Pacific Terminal Co., of Oregon . . . . .	1.32	
St. Paul & Superior Short Line . . . . .	2.37	
Winnipeg Transfer . . . . .	1.24	
	<hr/>	34.13
<i>Total miles operated . . . . .</i>		<hr/> 4,740.57

The above system of the Northern Pacific Railroad is located as follows:

STATE.	Miles of Main Line.	Miles of Branches.	Total Miles.
Wisconsin.....	78.63		78.63
Minnesota.....	249.40	498.76	748.16
North Dakota.....	376.93	484.02	860.95
Montana.....	786.68	490.08	1,276.76
Idaho.....	84.06	105.64	189.70
Washington.....	537.97	712.05	1,250.02
Oregon.....	38.68		38.68
Manitoba.....		263.54	263.54
Total miles.....	2,152.35	2,554.09	4,706.44

## BONDS

ISSUED OR GUARANTEED BY THE

## NORTHERN PACIFIC RAILROAD COMPANY,

HELD BY THE PUBLIC,

JANUARY 1, 1896.

<i>TITLE OF BONDS.</i>	<i>Rate of Interest.</i>	<i>Principal Due.</i>	<i>Amount Outstanding.</i>
<i>Northern Pacific Railroad Company.</i>			
Missouri Division First Mortgage.....	6%	1919	\$1,815,500
Pend d'Oreille Division First Mortgage.....	6%	1919	357,000
General First Mortgage.....	6%	1921	41,879,000
General Second Mortgage Bonds.....	6%	1933	19,216,000
Receivers' Certificates.....	6%	1897	4,900,000
General Third Mortgage Bonds.....	6%	1937	11,426,000
Dividend Certificates.....	6%	1907	519,500
Consolidated Mortgage Bonds.....	5%	1989	45,520,000
Collateral Trust Notes.....	6%	1898	9,494,000
Northwest Equipment Company.....	7%	1898	3,000,000
<i>Terminal Bonds.</i> Principal and Interest guaranteed by the Northern Pacific Railroad Company.			
St. Paul & Northern Pacific Railway:			
Prior Lien Bonds.....	7%	1907	420,000
General Mortgage Bonds.....	6%	1923	8,003,000
Northern Pacific Terminal Co. First Mortgage Bonds.....	6%	1933	1,440,000*
<i>Branch Road Bonds.</i> Principal, Interest and Sinking Fund guaranteed by the Northern Pacific Railroad Company.			
Central Washington.....	6%	1938	1,750,000
Cœur d'Alene.....	6%	1938	1,238,000
Duluth & Manitoba (Minnesota).....	6%	1936	1,650,000
Duluth & Manitoba (Dakota).....	6%	1937	1,451,000
Helena & Red Mountain.....	6%	1937	400,000
James River Valley.....	6%	1936	963,000
Northern Pacific & Montana.....	6%	1938	5,381,000
Northern Pacific & Manitoba Terminal.....	5%	1939	650,000
Spokane & Palouse.....	6%	1936	1,766,000
Seattle, Lake Shore & Eastern.....	6%	1931	5,558,000
Total.....			\$168,797,000

\* 40 % of \$3,600,000 issued.



**CORRECTED STATEMENT OF INCOME ACCOUNT AND CHARGES THERETO**  
**FOR THE FIVE FISCAL YEARS ENDING JUNE 30th, 1895.**

<i>Fiscal Years Ending June 30th,</i>	1891.	1892.	1893.	1894.	1895.	Totals, 5 Years, 1891-1895.	Annual Average, 1891-1895.
Mileage Operated .....	4,222	4,412	4,443	4,468	4,469		4,403
Gross Earnings.							
Freight, Commercial.....	\$16,910,160 19	\$17,328,989 35	\$16,982,891 57	\$11,565,455 41	\$13,210,698 86	\$75,998,195 38	\$15,199,639 08
" Freight, Construction.....	621,062 19	54,782 20	34,738 03	36 78		710,619 20	142,123 84
Passenger .....	6,680,491 37	6,296,284 96	5,917,054 22	4,136,332 10	3,350,491 53	26,380,654 18	5,276,130 83
Mail, Express and Miscellaneous.....	.939,830 34	981,400 98	985,424 86	845,385 22	873,790 41	4,625,831 81	925,166 36
Total Gross Earnings from Traffic.....	25,151,544 09	24,661,457 49	23,920,108 68	16,547,209 51	17,434,980 80	107,715,300 57	21,543,060 11
Operating Expenses.							
Per Books .....	14,940,402 18	14,176,364 63	14,471,771 63	11,816,120 17	11,319,682 41	66,724,341 02	
Expenses Charged to other Accounts .....	429,889 62	355,472 58	45,939 82			831,302 02	
Total Operating Expenses.....	15,370,291 80	14,531,837 21	14,517,711 45	11,816,120 17	11,319,682 41	67,555,643 04	13,511,128 61
Net Earnings .....	9,781,252 29	10,129,620 28	9,402,397 23	4,731,089 34	6,115,298 39	40,159,657 53	8,031,931 50
Operating Charges.							
Taxes .....	460,594 44	400,985 09	462,340 26	465,825 06	501,715 01	2,291,460 76	458,292 15
Rentals of Tracks and Terminals.....	1,133,669 48	1,230,213 56	1,198,333 03	977,883 68	998,766 86	5,538,866 61	1,107,773 32
Other Operating Charges.....					96,562 56	96,562 56	19,312 51
Total Operating Charges .....	1,594,263 92	1,631,198 65	1,660,673 29	1,443,708 74	1,597,045 33	7,926,889 93	1,585,377 98
Net Income from Traffic.....	8,186,988 37	8,498,421 63	7,741,723 94	3,287,380 60	4,518,253 06	32,232,767 60	6,446,553 52
Miscellaneous Income, exclusive of that from sales of land.....	1,078,528 12	874,099 49	1,222,795 36	497,303 52	616,229 43	4,288,955 92	857,791 18
Total Net Income, of N. P. R. R. System consid- ering the St. P. & N. P. R. R. as a Leased Line.....	9,265,516 49	9,372,521 12	8,964,519 30	3,784,684 12	5,134,482 49	36,521,723 52	7,304,344 70
Add:							
Rentals paid St. P. & N. P. R. R. included in operating charges as above.....	1,024,057 04	1,090,761 75	1,048,638 19	822,814 92	838,001 00	4,824,273 80	964,854 76
Total .....	10,289,574 43	10,463,282 87	10,013,157 49	4,607,499 04	5,972,483 49	41,345,997 32	8,269,199 46
Deduct:							
Dividends paid by St. P. & N. P. R. R. Co. (Those Received by N. P. R. R. Co. in- cluded in Miscellaneous Income account as above).....	796,401 17	395,874 50	672,992 75	157,500 00	315,000 00	2,337,768 42	467,553 68
Total Net Income, including the St. P. & N. P. R. R. as part of the System.....	9,493,173 26	10,067,408 37	9,340,164 74	4,449,999 04	5,657,483 49	39,008,228 90	7,801,645 78

NOTE.—Losses for years 1891 to 1894, under Leases of Wisconsin Central Co. (including Chicago & N. P. R. R.), Seattle, Lake Shore & Eastern R. R. Co., and Puget Sound and Alaska S. S. Co., are not deducted in this statement.

NEW YORK, March 7th, 1896.

STEPHEN LITTLE,  
J. H. McCLEMENT,

Auditors for Reorganization Committee.

JOHN SCOTT, Comptroller.

# LAND DEPARTMENT OPERATIONS, FIVE FISCAL YEARS.

MINNESOTA AND DAKOTA.

21

Fiscal Year.	Acres.	RECEIPTS.			Expenses.	Taxes.	Total.	Net Receipts.
		Cash.	Preferred Stock.	Total.				
1890-1.....	139,178	\$116,530 08	\$324,711 35	\$441,241 43	\$75,211 79	\$41,884 91	\$117,096 70	\$324,144 73
1891-2.....	*322,676	1,413,123 27	94,362 40	1,507,485 67	397,688 39	45,004 72	442,693 11	1,064,792 56
1892-3.....	38,548	92,481 98	274,118 63	366,600 61	94,993 09	61,830 74	156,823 83	299,776 78
1893-4.....	16,732	58,122 01	290,284 56	348,406 57	35,535 31	41,216 42	76,751 73	271,654 84
1894-5.....	42,907	242,601 40	69,700 00	312,301 40	77,723 66	38,493 70	116,217 36	196,084 04
Totals.....	560,041	\$1,922,858 74	\$1,053,176 94	\$2,976,035 68	\$681,152 24	\$228,430 49	\$909,582 73	\$2,066,452 95
Sp. M. & M. Lands, 1891-2.....	175,337	1,193,129 98		1,193,129 98	321,861 55		321,861 55	871,268 43
Int. chgd by Op. Dept., 1891-2.....								
NORMAL, FIVE YEARS.....	384,704	\$729,728 76	\$1,053,176 94	\$1,782,905 70	\$359,290 69	\$228,430 49	\$587,721 18	\$1,195,184 52
Cash Receipts in excess of Expenses, exclusive of St. P. M. & M. Lands, and Int. charged by Operating Dept.....								\$142,007 58
MISSOURI DIVISION.								
1890-1.....	1,659	\$11,629 38		\$11,629 38	\$12,677 13	\$21,033 65	\$33,710 78	\$22,081 40*
1891-2.....	2,662	15,527 84		15,527 84	10,691 55	35,300 00	45,991 55	30,468 71*
1892-3.....	14,211*	19,105 60		19,105 60	12,425 19	23,638 92	36,064 11	16,958 51*
1893-4.....	1,613*	11,372 66		11,372 66	7,399 39	9,912 13	17,311 52	5,988 86*
1894-5.....	4,402	13,339 66		13,339 66	7,140 33	235 49	7,375 82	5,963 84
Totals.....	7,101*	\$70,975 14		\$70,975 14	\$59,333 59	\$90,120 19	\$140,453 78	\$69,478 61*
PEND D'O'REILLE DIVISION.								
1890-1.....	65,979	\$529,508 63		\$529,508 63	\$106,381 91	\$45,403 94	\$151,785 85	\$377,722 78
1891-2.....	36,281	460,639 55		460,639 55	85,484 69	37,786 59	123,271 28	337,368 27
1892-3.....	29,833*	450,115 51		450,115 51	86,243 74	50,764 13	131,007 87	319,107 64
1893-4.....	1,824*	131,850 98		131,850 98	57,509 67	52,399 67	109,909 34	21,941 64
1894-5.....	11,822*	96,802 02		96,802 02	127,077 19	7,372 28	134,449 47	37,647 45*
Totals.....	59,281	\$1,668,916 69		\$1,668,916 69	\$456,697 20	\$193,726 61	\$650,423 81	\$1,018,492 88
GENERAL FIRST MORTGAGE DIVISIONS.								
1890-1.....	159,336	\$731,849 41		\$731,849 41	\$171,122 12	\$75,814 45	\$252,936 57	\$478,912 84
1891-2.....	192,260	880,728 16		880,728 16	175,212 89	91,741 69	266,954 58	613,773 58
1892-3.....	84,651	824,402 94		824,402 94	141,872 70	111,875 31	253,748 01	570,654 93
1893-4.....	30,415	291,044 24		291,044 24	92,204 89	90,017 72	182,222 61	108,821 63
1894-5.....	231*	348,283 62		348,283 62	168,462 12	179,821 50	348,283 62	
Totals.....	466,431	\$3,076,308 37		\$3,076,308 37	\$754,874 72	\$549,270 67	\$1,304,145 39	\$1,772,162 98
The Net Receipts of 1894-5 were set aside for a fund to meet taxes for 1894 and prior years, pending a judicial decision as to the liability of the Land Department therefor. This accounts for the large increase in the charge for taxes in that year.								
SUMMARY OF LAND OPERATIONS, FIVE FISCAL YEARS, 1891 TO 1895, INCLUSIVE.								
DIVISIONS.								
Gen. First Mgt.....	466,431	\$3,076,308 37		\$3,076,308 37	\$754,874 72	\$549,270 67	\$1,304,145 39	\$1,772,162 98
Missouri Div. Mgt.....	7,101*	70,975 14		70,975 14	59,333 59	90,120 19	140,453 78	69,478 61*
Pend d'Oreille Div. Mgt.....	59,281	1,668,916 69		1,668,916 69	456,697 20	193,726 61	650,423 81	1,018,492 88
APPLIED TO BONDED DEBT.....	518,611	\$4,816,200 20		\$4,816,200 20	\$1,261,905 51	\$833,117 47	\$2,095,022 98	\$2,721,177 22
Minnesota & Dakota.....	384,704	\$729,728 76		\$729,728 76	\$359,290 69	\$228,430 49	\$587,721 18	\$1,195,184 52
St. P. M. & M. Lands, 1891-2.....	175,337	1,193,129 98		1,193,129 98	321,861 55		321,861 55	871,268 43
Int. chgd by Op. Dept., 1891-2.....								
APPLIED TO PREFERRED STOCK.....	560,041	\$1,922,858 74		\$1,922,858 74	\$681,152 24	\$228,430 49	\$909,582 73	\$2,066,452 95
Grand Total.....	1,078,652	\$6,739,058 94		\$6,739,058 94	\$1,943,057 75	\$1,061,547 96	\$3,004,605 71	\$4,787,630 17

\* Deductions for Cancellation of Sales or Losses in Operations.

FEBRUARY 10, 1896.

JOHN SCOTT,  
Comptroller.





# REORGANIZATION AGREEMENT,

MARCH 16TH, 1896.

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AN AGREEMENT, made this 16th day of March, 1896, between

EDWARD D. ADAMS, JOHN C. BULLITT, LOUIS FITZGERALD, CHARLES H. GODFREY, JOHN D. PROBST, JAMES STILLMAN, ERNST THALMANN (hereinafter called the Reorganization Committee), parties of the first part;

THE MERCANTILE TRUST COMPANY, party of the second part;

J. P. MORGAN & Co. (a copartnership), parties of the third part (hereinafter called the Managers);

HOLDERS OF MORTGAGE BONDS OF THE NORTHERN PACIFIC RAILROAD COMPANY (hereinafter called the Railroad Company), HOLDERS OF CERTIFICATES OF THE MERCANTILE TRUST COMPANY FOR GENERAL SECOND, GENERAL THIRD AND CONSOLIDATED MORTGAGE BONDS, HOLDERS OF COLLATERAL TRUST NOTES AND DIVIDEND CERTIFICATES OF THE RAILROAD COMPANY, AND THE MORTGAGE BONDS OF VARIOUS BRANCH RAILROADS HITHERTO KNOWN AS PARTS OF THE NORTHERN PACIFIC RAILROAD SYSTEM, AND HOLDERS OF THE PREFERRED AND COMMON STOCK OF THE NORTHERN PACIFIC RAILROAD COMPANY, who shall become parties to this agreement, of the fourth part (hereinafter called Depositors);

THE DEUTSCHE BANK, OF BERLIN, in evidence of its active support of the reorganization and of its acceptance of appointment as Depositary thereunder, party of the fifth part, and

AUGUST BELMONT, BRAYTON IVES, GEORGE R. SHELDON and CHARLEMAGNE TOWER, JR., a Committee in behalf of various interests in the Northern Pacific Railroad Company (hereinafter called the Protective Committee), in evidence of their active support of the reorganization thereof according to the Plan provided herein, as parties of the sixth part;

*Whereas*, by an agreement dated February 19, 1894, known as the Bondholders' Agreement, the parties of the first part were, by certain holders of the General Second, General Third and Consolidated Mortgage Bonds of the Railroad Company, appointed a Committee for the reorganization of said Company; and

*Whereas*, the Plan referred to in this agreement has been proposed by the Reorganization Committee for the reorganization of the Railroad Company;

NOW, THEREFORE, it mutually is agreed by and between the respective parties hereto as follows:

*First.* A printed copy of this agreement, signed by a majority of the members of the Reorganization Committee and of the Protective Committee, and by the parties of the second and third parts hereto, and by or for the party of the fifth part, shall be lodged with J. P. Morgan & Co., New York, and a duplicate, signed in like manner, shall be lodged with the Deutsche Bank, of Berlin. Each of said copies shall be taken as a complete and original instrument, but both shall constitute but one



agreement. The foregoing Plan is, and shall be, taken to be a part of this agreement, with the same effect as though each and every provision thereof had been embodied herein, and said Plan and this agreement shall be read as parts of one and the same paper; but no estimate, statement, explanation or suggestion contained in the said Plan or this agreement, or in any circular issued, or which may hereafter be issued, by the Depositaries or by the Committee or by the Managers, is intended, or is to be accepted, as a representation or warranty, or as a condition of deposit or assent under the Plan and this agreement, and no defect or error shall release any deposit under this Plan and agreement, or affect or release any assent thereto, except by written consent of the Managers.

Holders of the Bonds, Collateral Trust Notes, Dividend Certificates, and of the Preferred and Common Stock of the Railroad Company, and of the stock of the Northwest Equipment Company and of the mortgage bonds of various Branch Railroads hitherto known as parts of the Northern Pacific Railroad system, or of any of them, may become parties to this Plan and agreement by depositing their securities with the Depositaries upon the terms and conditions specified in the Plan and this agreement, or hereafter defined, and within the periods which shall be fixed or limited by the Managers.

Such holders must in all cases deposit the certificates for their stock, or their bonds, or other securities, with such transfers, assignments and powers of attorney as may be required by the Managers in order to vest in them, and to enable them to transfer, the complete and absolute title to such stocks or bonds or other securities, and the Depositors agree respectively at any time, on demand of the Managers, to execute any and all other transfers, assignments or writings required for vesting the complete ownership of the bonds and stock deposited hereunder in the Managers, or their nominees.

All Depositors of securities (excepting Assenting Certificate holders as hereinafter designated) shall receive certificates of deposit in form to be prescribed by the Managers, specifying the respective bonds or stocks deposited, and the holders of such certificates of deposit shall be entitled (subject to any provisions contained in such certificates) to the rights and benefits, and only to the rights and benefits, specified in the Plan and this agreement, as accruing to the holders of the bonds or stocks of the class represented by such certificates respectively, or granted by the Managers, pursuant to the powers conferred upon them; and thereafter the holder of any such certificate, or of any certificate issued in lieu thereof or in exchange therefor, shall be subject to the Plan and this agreement and entitled to have and exercise the rights of the original Depositor under the certificate issued to him in respect of the securities therein mentioned.

The Plan and this agreement prepared and adopted by the Reorganization Committee in exercise of the power, and in performance of the duty imposed upon said Reorganization Committee under the said Bondholders' Agreement of February 19, 1894, is in the form and contains the terms, powers and conditions which to the Committee seem equitable and fair; and in accordance with the provisions of said Bondholders' Agreement, are now lodged at New York with the Farmers' Loan and Trust Company and The Mercantile Trust Company; at Berlin, with the Deutsche Bank; and at London with the branch of the Deutsche Bank, which has been appointed by said Reorganization Committee as agent therefor, and also with said Reorganization Committee at its office, No. 15 Broad Street, in the City of New York, at each of which places copies are left for distribution to bondholders; and a brief publication of the fact of the adoption and filing of such Plan of Reorganization will be made for at least two weeks in one or more daily newspapers published in the Cities of New York, London and Berlin, and in the absence of express dissent in writing, filed within twenty days after the expiration of such publication (in compliance with the provisions of the Second Article of said Bondholders' Agreement), the assent to and ratification of the Plan and this agreement shall be conclusively and finally assumed, conferred and given by each and every certificate holder not so expressly dissenting herefrom. But, nevertheless, the Managers, at their option, at any time, may by notice published in the manner hereinafter provided in Article Twelfth hereof, exclude from the operation of the Plan and this agreement, and from any and all interest thereunder, any and all bonds represented by any such certificate issued under such Bondholders' Agreement, unless within the time and in the manner required in such public notice such certificate shall have been submitted to one of the Depositaries hereunder for stamping, and by one of such Depositaries shall have been stamped as expressly assenting to the Plan and this agreement.

Holders of General Second, General Third and Consolidated Mortgage bonds not already deposited under the Bondholders' Agreement of February 19, 1894, shall, by the delivery of their bonds to the Depositaries, be deemed to have deposited their bonds under said Bondholders' Agreement, and for the bonds deposited will receive certificates of the Mercantile Trust Company of New York, issued under that agreement, which may be stamped by one of the Depositaries as assenting to the Plan and this agreement.

All bonds represented by any such certificate, the holder of which shall have acquiesced as above provided, unless stamping of such certificates shall be required by the Managers, as above provided, and all bonds represented by any certificate stamped as aforesaid, shall be subject to, and included within, the provisions of this Plan and agreement as fully and irrevocably as though directly deposited hereunder, and the Managers shall irrevocably possess and from time to time may exercise all rights of the holders of bonds represented by such certificates, subject to the terms thereof, including the right to abandon or terminate the said former agreement and all further proceedings thereunder.

All such certificates so acquiescing or so stamped are herein designated "Assenting Certificates," and the holders thereof are designated "Assenting Certificate Holders."

Such Certificates of Deposit and such Assenting Certificates and the interests represented thereby shall be transferable only subject to the terms and conditions of the Plan and this agreement, and in such manner as the Managers shall approve; and upon such transfer, all rights of the Deposit or in respect of the deposited bonds or stock represented by such certificates, together with all installments paid by the Depositors of such stock, or their transferees, and all rights under the Certificates of Deposit or Assenting Certificates transferred, shall pass to the transferee, and the transferees and holders of such Certificates of Deposit or of such Assenting Certificate shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of Certificates of Deposit or of Assenting Certificates, shall be embraced under the term "Depositors," whenever used herein. Each Certificate of Deposit or Assenting Certificate may be treated by the Reorganization Committee, by the Managers and by the Depositaries as a negotiable instrument, and the holder for the time being may be deemed to be the absolute owner thereof, and of all rights of the original Depositor of the bond or stock in respect of which the same was issued, and neither the Depositaries nor the Reorganization Committee nor the Managers shall be affected by any notice to the contrary. By accepting any such Certificate, or by presenting any Mercantile Trust Company Certificate to be stamped hereunder, every recipient or holder thereof shall thereby become party to the Plan and this Agreement with the same force and effect as though an actual subscriber hereto. The term Depositor, as well as the term Assenting Certificate Holder, whenever used herein, is intended, and shall be construed, to include not only persons acting in their own right, but also trustees, guardians, committees, agents and all persons acting in a



representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint-stock companies and corporations. No rights hereunder shall accrue in respect of any securities hereinbefore mentioned unless, nor until, the same shall have been subjected to the control of the Managers and to the operation of the Plan and this Agreement as herein provided.

The Depositaries shall receive the deposited stocks and bonds, and shall deliver the same to one or more Trust Companies in the City of New York, and the same shall be held by them respectively subject to the order and control of the Managers.

The Managers may, in their discretion, fix or limit the period or periods within which holders of bonds or stock, or other securities, or any class thereof, may deposit their securities, and within which they or holders of Mercantile Trust Company Certificates may become parties to the Plan and this agreement, and the periods within which the installments of cash payable by depositing holders of Preferred and Common stock must be paid, and, in their discretion, either generally or in special instances, may extend or renew the period or periods so fixed or limited, on such terms and conditions as they may see fit.

Holders of securities not deposited, or of the Mercantile Trust Company Certificates not becoming parties hereto, in the manner herein provided, by stamping, if so required, within the periods respectively fixed or limited therefor, will not be entitled to deposit the same or to become parties to this agreement, or to share in the benefits thereof, and shall acquire no rights thereunder, except upon obtaining the express consent of the Managers, who may withhold or give such consent, in their absolute discretion, and such terms and conditions as they may see fit.

The several installments of cash, payable by depositing stockholders as provided in the Plan and this agreement, must be paid to the respective Depositaries, and must be receipted for by such Depositaries on the respective certificates of deposit issued for such stock. The depositing stockholders agree that all such installments of cash may be used, at any time, by the Managers, for any of the purposes of the Plan and this agreement. Depositors of stock and holders of certificates of deposit for deposited stock respectively agree that prompt payment of the several installments of cash payable by them respectively on the terms of the Plan and this agreement is an essential condition to their acquisition of new stock by purchase under the Plan and this agreement, and that any depositor or any holder of a certificate of deposit for stock who shall fail to make prompt payment of any installment of cash payable as provided in the Plan within the periods fixed or limited by the Managers for such payment shall forthwith and without further or other notice or action cease to have any rights, or to be entitled to any benefits hereunder, and in every such case the deposited stock and any cash paid as above provided prior to the date of such default shall vest in and belong to the Managers, and may be used for any of the requirements of carrying out the Plan and this agreement, and that no such defaulting Depositor or Certificate Holder shall be entitled to the return or repayment thereof or to have any further interest or rights in respect thereof. The Managers, however, in their discretion, may waive any such default and accept payment of overdue installments due from any Depositor at any time before final settlement of accounts with the syndicate.

The Managers may, in their discretion, for the purpose of carrying out the Plan and this agreement, call in for deposit any of the undisturbed Main Line bonds mentioned in the Plan, and may cause any mortgage securing the same to be foreclosed, and may cause other similar bonds having similar security, or the Prior Lien Bonds reserved therefor under the Plan, to be issued in exchange for such bonds.

*Second.* The Depositors and Assenting Certificate holders hereby irrevocably request the Managers to endeavor to carry into practical operation the Plan and this agreement, in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Managers shall deem to be for the best interests of the Depositors and Assenting Certificate holders or of the properties finally embraced in the Reorganization. Each and every Depositor and Assenting Certificate holder, for himself and not for any other, does hereby sell, assign, transfer and set over to the Managers as copartners, and to the survivor and survivors of them and to their successors, each and every bond, share of stock, security or obligation or evidence thereof deposited hereunder, or represented by an Assenting Certificate, and every Depositor and Assenting Certificate holder hereby agrees that the Managers shall be and they are hereby vested with all the rights and powers of owners of the stock, bonds, securities and obligations deposited hereunder, or represented by such Assenting Certificates, including the right to transfer the same into their own name, as a copartnership and as Managers, or into the name of any other person or persons whom they may select; and (without limiting the foregoing provision) it is hereby declared that the Managers shall be fully authorized to vote thereon at any meeting of stockholders or bondholders or creditors; to use every such stock, bond, receipt, security or obligation as fully and to the same extent as the owner or holder thereof; to declare due the principal of any bond or other obligation deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy, to vote at any and all meetings of stockholders or bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust, contract or lease, in whole or in part; to apply for the determination of the validity thereof, or for the removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust, contract or lease or under any provision thereof; to purchase at any time or times, at such prices as they shall deem proper, or to pay, compromise or settle with the holders of any coupons, notes or other indebtedness or obligations of any of the Railroad Companies, or any Receiver's certificates or obligations issued or which may be issued or incurred by the Receivers thereof, and to apply for that purpose any moneys received from the sale of trust certificates for stock in the new Company or which may otherwise be received or raised by the Reorganization Committee or by them; to borrow money for any of the purposes of this agreement, and to charge or pledge any deposited securities, property purchased, or new securities to be issued, for the payment of any moneys borrowed; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder or any part thereof; to institute or to become parties to any legal proceeding; to apply for receivers, or for the removal of receivers and the substitution of other receivers, or for the termination of any receivership and the delivery of any property to its owners; to settle any litigation now or at any time existing or threatened in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the consummation of the Plan; to do whatever, in the judgment of the Managers, may be necessary to promote or to procure the sale as an entirety or the joint or separate sales of any lands, grants of lands, property or franchise herein concerned, wherever situated; to adjourn any sale of any property or franchise, or of any portion or lot thereof at discretion; to bid, or to refrain from bidding at any sale, either public or private, either in separate lots or as a whole, for any property or franchises or any part thereof whether or not owned, controlled or covered by any deposited security, or by the bonds represented by any Assenting Certificate, including or excluding any particular rolling stock, or other property, real or



personal, and at, before or after any sale, to arrange and agree for the resale of any portion of the property which they may decide to sell rather than to retain; to hold any property or franchises purchased by them either in their name or in the name of persons or corporations by them chosen for the purposes of this agreement, and to apply any security embraced hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; and the term property and franchise shall include any and all railroads, railroad and other transportation lines, branches, leaseholds, lands, rights in lands, mining rights, stocks, or other interests in corporations in which the Railroad Company has any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Managers for any property or franchises shall be absolutely discretionary with them; and, in case of the sale to others of any property or franchises, the Managers may receive out of the proceeds of such sale or otherwise any dividend in any form accruing on any securities held by them.

*Third.* The Managers may procure the organization of one or more new companies, or they may adopt or use any existing or future companies, and they may cause to be made such consolidations, leases, sales or other arrangements, and may make or cause to be made such conveyances or transfers of any properties or securities acquired by them, and may take such other proceedings as they may deem proper for the purpose of creating the new securities provided for in this Plan and agreement and for carrying out all or any of the provisions thereof. Said Managers shall further be authorized to receive and dispose of, in accordance with any of the provisions of this Plan and agreement, the new securities to be created, and said Managers may vote upon all the stock of such new corporation for all purposes in their judgment necessary to carry out the plan until the same shall be transferred to the Voting Trustees or to the Depositors and Assenting Security holders, who shall be entitled to receive the same.

*Fourth.* The Managers may construe the Plan and this agreement; and their construction thereof or action thereunder, in good faith, shall be final and conclusive. They may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and they shall be the sole judge of such necessity. They shall be the sole and final judge as to when and whether the assent of enough parties interested in the Railroad Company shall have been obtained to warrant them in carrying the same or any part into effect, and they shall have power, whenever they shall deem proper, to abandon or to alter, modify or depart from, the Plan of Reorganization or any part thereof. They may at any time or times, after any such partial abandonment, restore to the Plan any abandoned part or parts thereof, and may seek to carry the same into effect, as fully as if such part or parts had not been abandoned. They may also attempt to carry the Plan into effect rather than abandon or modify the same, even though it be manifest that, as carried out, the Plan must depart from the original Plan or from some part thereof. But in case of any intentional change or modification or departure from the Plan, which, in their judgment, shall materially affect any of the several classes of Depositors, or their mutual relations, a statement of such proposed change, modification or departure shall be filed with the Depositories, and notice of the fact of such filing shall be given as hereafter provided in Article Twelfth; and within two weeks after final publication all holders of the outstanding Certificates for such particular class or classes of securities affected thereby may surrender their respective Certificates therefor and withdraw securities of such particular class or classes, or the proceeds thereof, or substitutes therefor then under the control of the Managers, to the amount indicated in such Certificates, and all Assenting Certificate holders may require cancellation of their assent and release herefrom of the securities represented by their Assenting Certificates, provided, however, that in every case of withdrawal or cancellation the Certificate Holders or the Assenting Certificate Holders shall respectively make payment of their shares of the expenses of the Reorganization Committee and of the Managers as apportioned by the latter. Every Depositor of securities not so surrendering and withdrawing, and every Assenting Certificate Holder not withdrawing his assent, within such two weeks after final publication, shall be deemed to have assented to the proposed changes or modifications, and whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modifications finally made by the Managers shall be part of the Plan and this agreement; and all provisions and references concerning the Plan shall apply to the Plan so changed or modified. In case the Managers shall finally abandon the entire Plan, the stocks and bonds deposited hereunder, or their proceeds, or any stocks, bonds, securities or claims or representatives thereof, then under the control of the Managers, shall be delivered to the several Depositors in amounts representing their respective interests upon surrender of their respective Certificates and payment of such actual expenses as shall have been incurred by the Reorganization Committee and Managers, which latter shall have power to determine and to apportion upon the several classes of securities deposited hereunder the share of expense to be borne by each security. In case of such abandonment, in like manner, and upon like payment of expenses, any assent of the Assenting Certificate holders shall be released by the Managers, and until so released the General Second, General Third and Consolidated Mortgage bonds represented by the Assenting Certificates shall be subject to their ratable share of such expense.

In any such case, any moneys paid by the depositing stockholders, or any coupons, receiver's certificates or other obligations, claims or property acquired therewith, or the proceeds thereof when received, remaining after deducting therefrom the share of the expenses incurred by the Managers under this agreement apportioned upon such depositing stockholders, shall be equitably distributed or adjusted among the respective holders of Certificates of Deposit therefor; but the depositing stockholders, or holders of such Certificates of Deposit, shall have no claim for the repayment of any such moneys, except to the extent of their ratable shares of such moneys, or their proceeds, remaining in the hands of the Managers after payment of such expenses.

In every such case of withdrawal, any cash paid or advanced, as provided in the Plan, to depositors of bonds, notes or dividend certificates or Certificates of Deposit therefor or Assenting Certificates, and any interest paid or advanced to holders of Certificates of Deposit or Assenting Certificates in respect of deposited bonds, notes, or dividend certificates represented by such Certificates of Deposit or Assenting Certificates, or in respect of the new bonds to be issued in exchange therefor under the Plan, must be repaid by the holders of such Certificates before the deposited bonds, notes, or dividend certificates represented by such Certificates of Deposit or Assenting Certificates shall be surrendered in exchange therefor; but any interest collected by the Managers on deposited securities will in such case of withdrawal be accounted for by the Managers to the holders of the Certificates of Deposit for such securities or of Assenting Certificates.

*Fifth.* The Managers may proceed under the Plan and this agreement or any part thereof with or without foreclosure, and in case of foreclosure may exercise any power, either before or after foreclosure sale; and in every case all the provisions of the Plan and this agreement shall equally apply to and in respect of any physical properties embraced under the reorganization,



and to and in respect of any securities representing any such property, it being intended that for all purposes thereunder any such property, and any security representing such property, may be treated or accepted by the Managers as substantially identical. In case any separate Plan shall, in the opinion of the Managers, become necessary or expedient to effect the reorganization of any subordinate or other company, the Managers may promote and participate in any such reorganization and may deposit thereunder any securities thereby affected.

In case of any claim, lien or obligation not herein fully provided for and affecting the Railroad Company, or any property or franchises thereof, the Managers may from time to time (subject, however, to Article Sixth hereof) make such compromise in respect thereto or such provision therefor as they may deem suitable, using therefor any securities not expressly required for settlement with Depositors, or not expressly reserved for liens or obligations specified in the Plan, but the total amount of new securities to be created as set forth in the Plan shall not be thereby increased.

Any action contemplated in the Plan and this agreement to be performed on or after completion and reorganization may be taken by the Managers at any time when they shall deem the reorganization advanced sufficiently to justify such course, and the Managers as they may deem necessary may defer the performance of any provision of the Plan and this agreement, or may commit such performance to the new Company.

They may also in their discretion set apart and hold in trust, or place in trust with any trust company, any part of the new securities to be issued and cash which may be received from sales of new securities, or otherwise, as they may deem judicious, for the purpose of securing the application thereof for any of the purposes of the Plan and this agreement.

*Sixth.* The Managers may from time to time make contracts with any person, syndicate or corporation for the purpose of carrying this agreement into effect and by loan, guaranty, or by the sale of the new securities to be created, or otherwise, on such terms, conditions and rates as said Managers may deem proper; may obtain any moneys required to carry out the Plan and this agreement, including such sums as the Managers may deem expedient to provide for the uses of the new Company; and for the performance of any contract said Managers may charge the deposited securities and the new securities to be issued and may pledge the same for the payment of any moneys borrowed and interest thereon, and other performance of any other obligations incurred under the powers herein conferred. The Managers may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by them deemed reasonable for the purposes of this agreement. They may prescribe the form of all securities and of all instruments at any time to be issued or entered into. They may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder, excepting that the Reorganization Committee shall make any appointment in lieu of, or in succession to, Georg Siemens, and that the Protective Committee shall make any appointment in lieu of, or in succession to, August Belmont, prior to the actual reception of stock by the Voting Trustees. They may, at public or private sale, or otherwise, dispose of any bonds and Trust Certificates for stock of the new Company left in their hands because of any failure to make deposits hereunder. In so disposing of any such new securities thus left on their hands, they may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as they may deem expedient and advisable. At the time of the creation of the new securities, or as soon thereafter as may be, the Managers may take such action (either by creating lesser amounts of securities, or otherwise) as they may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of the Plan.

*Seventh.* Messrs. J. P. Morgan & Co., as Managers, shall act as a copartnership, and in case of any change in said firm, the firm of J. P. Morgan & Co., as from time to time constituted, shall continue as Managers, with all the powers, rights and title vested in the Managers hereunder. Neither the Committees nor the Managers nor the Depositaries assume any personal responsibility for the execution of the Plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof; the Managers, however, undertaking in good faith to endeavor to execute the same. No member of the Reorganization Committee, nor any Depositary, nor the Managers, shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his, its or their own individual willful malfeasance or neglect; and no member of the Reorganization Committee shall in any case be personally liable for the act or omission of any other member, nor for the acts of any Depositary or of the Managers, nor shall any Depositary or the Managers be personally liable for the acts or defaults of the Reorganization Committee, or of any other Depositary, or of any Trust Company. The Managers may act through any committees or agents, and may delegate any authority, as well as discretion, to any such committee or agent, and the members of such committee or such agents may be allowed a reasonable compensation for their services hereunder, and the Managers shall be entitled to the compensation stated in the Plan. Any member of the Managers or Depositaries, or any member of either Committee, at any time, may be a Voting Trustee, and may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including participation in or under any syndicate agreement, whether or not mentioned in the Plan. Any direction given by the Managers shall be full and sufficient authority for any action of the Depositaries or of any Trust Company or of any other custodian or of any committee or agent.

The Reorganization Committee shall be entitled to reasonable compensation. It may discharge any and all reasonable expenses by it incurred for any of the purposes of this agreement or of the agreement of February 19, 1894. Its accounts shall be filed with the Board of Directors of the new Company, and the same, as filed, shall be final, binding and conclusive upon all parties having any interest therein. The compensation of the said Reorganization and the Protective Committee and their expenses shall be paid as part of the expenses of the reorganization.

*Eighth.* The Managers may negotiate and contract with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other convenience which they may deem necessary or desirable to obtain or to grant, and may make contracts therefor binding upon such new company, and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in their opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting the Northern Pacific System, of which the Railroad Company or any subordinate company has contracted to acquire, or to prevent or avoid opposition to or interference with the successful execution hereof.

*Ninth.* The accounts of the Managers shall be filed with the Board of Directors of the new Company within one year after its organization shall have been completed, unless a longer time be granted by the said Board. The accounts, when



approved by such Board of Directors, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Managers shall be discharged. The acceptance of new securities by any Depositor or any Assenting Certificate holder shall estop such acceptor from questioning the conformity of such securities in any particular to any provisions of the Plan; and the acceptance of new securities by the holders of a majority in amount of the Certificates of Deposit and Assenting Certificates for any class of securities shall in each case respectively estop all holders of Certificates of Deposit and Assenting Certificates for securities of that class.

*Tenth.* The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Managers, and each Depositor hereunder and each Assenting Certificate holder hereby confers on the Managers, in respect of all securities deposited or to be deposited, or securities represented by Assenting Certificates, and in all other respects, any and all powers which the Managers may deem necessary or expedient in or towards carrying out or promoting the purposes of the Plan and this agreement in any respect, even though any such power be apparently of a character not now contemplated; and the Managers may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, they may deem expedient. The methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Managers.

The bonds and other obligations deposited under the Plan and this agreement, or represented by Assenting Certificates, and all Receivers' certificates, coupons and claims purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by any delivery of new securities; and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any judgment upon any of such claims, including claims and judgments for deficiencies, and all liens and equities, shall remain unimpaired, and may be enforced by the Managers or by the new Company or by any or other assign of the Managers until paid or satisfied in full or expressly released. Neither the Managers nor any bondholders or creditors of the Railroad Company, by executing this agreement, or by becoming parties thereto, release, surrender or waive any lien, right or claim in favor of any stockholders or other creditors of such Company, and all such liens, rights or claims shall vest unimpaired in the Managers and in the new Company, or its assigns, severally and respectively; and any purchase or purchases by or on behalf of the Managers, or the new Company, under any decree for the enforcement of any such lien, right or claim shall vest the property purchased in the Managers or the new Company free from all interest or claim on the part of any such stockholders, creditors or other parties. No right is conferred, nor any trust, liability or obligation (except the agreements herein contained in favor of the holders of Certificates of Deposit or Assenting Certificates hereunder) is created by the Plan and this agreement, or is assumed hereunder or by or for any new Company in favor of any bondholder, or any other creditor, or of any holder of any claim whatsoever against the Railroad Company, nor in favor of any company now existing or to be formed hereafter (whether such claim be based on any bonds, stocks, securities, lease, guaranty or otherwise), with respect to any securities deposited under this agreement or any moneys paid to, or received by Managers or by the Committee or Depositaries hereunder or with respect to any property acquired by purchase at any foreclosure sale, or with respect to any new securities to be issued hereunder, or with respect to any other matter or thing.

*Eleventh.* All moneys paid under or with reference to the Plan and this agreement shall be paid over by the Depositaries to the Managers, who shall as Bankers hold the same subject to application for any of the purposes of the Plan and this agreement as may be most convenient, and as from time to time may be determined by the Managers, whose determination as to the propriety and purpose of any such application shall be final, and nothing in the Plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the Plan, either as proposed or carried out, or any securities held as collateral for any such obligation, may be acquired or extinguished or held by the Managers at such times, in such manner and upon such terms as they may deem proper for the purposes of reorganization, but nothing in the Plan and this agreement contained is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

*Twelfth.* All calls for the presentation of Certificates for stamping, for the deposit of bonds and stocks, for the payment to be made by depositing stockholders or for the surrender of Certificates; all notices fixing or limiting any period for the deposit of securities or for such payments, or for the presentation of Certificates for stamping, and all other calls or notices hereunder, except when otherwise provided, shall be inserted in the *New York Times* and the *New York Tribune*, or in two other daily papers of general circulation published in the City of New York; in the *London Times* and *News*, or in two other daily papers of general circulation published in the City of London; and in two daily papers of general circulation published in the City of Berlin; twice in each week for two successive weeks, beginning on any day of the week. Any call or notice whatsoever, when so published by the Managers or by the Deutsche Bank, shall be taken and considered as though personally served on all parties hereto, and upon all parties bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this plan and agreement; and all German translations of the Plan and this agreement and of any call or notice thereunder shall be made under the direction or with the approval of the Deutsche Bank, and when so made shall be sufficient for publication in Germany; but, in case of any discrepancy between such translation and the English original, the latter shall control, and, notwithstanding such discrepancy, shall bind all parties in interest. When a call or notice shall have been advertised as above specified in New York, or in London, or in Berlin, publication shall be complete as regards all holders of certificates of deposit and assented receipts issued or stamped by the Depositaries in the City in which such publication shall have been made, and no further publication shall be required in such city.

*Thirteenth.* The Plan and this agreement shall bind and benefit the several parties, including the Depositors hereunder, their and each of their survivors, heirs, executors, administrators, successors and assigns.

*Fourteenth.* In order fully to subject to every provision of the Plan and this agreement, all General Second, General Third and Consolidated Mortgage Bonds now or hereafter represented by Assenting Certificates of the Mercantile Trust Company, and to obtain therefor all benefits hereunder, the Mercantile Trust Company of New York becomes a party hereto, and each Assenting Certificate holder hereby confers upon it full power and authority, either with or without the termination of the said Bond-

holders' Agreement of February 19, 1894, to hold subject to the Plan and this agreement and to deliver to the Managers or upon their order, the bonds represented by any such Assenting Certificate, and full power and authority from time to time thereafter to make, execute and perform (such power and authority by it to be exercised when requested by the Managers) such further or other instruments, agreements and transfers as may be required hereunder in respect of any bonds represented by any such Assenting Certificates.

IN WITNESS WHEREOF, a majority of the Reorganization Committee, the Managers, The Mercantile Trust Company of New York, the Deutsche Bank and the Protective Committee have caused these presents to be duly executed, and all other parties hereto have deposited securities or, as above set forth, have assented hereto in respect of certificates of the Mercantile Trust Company.

EDWARD D. ADAMS,  
JOHN C. BULLITT,  
LOUIS FITZGERALD,  
CHARLES H. GODFREY,  
JOHN D. PROBST,  
JAMES STILLMAN,  
ERNST THALMANN.

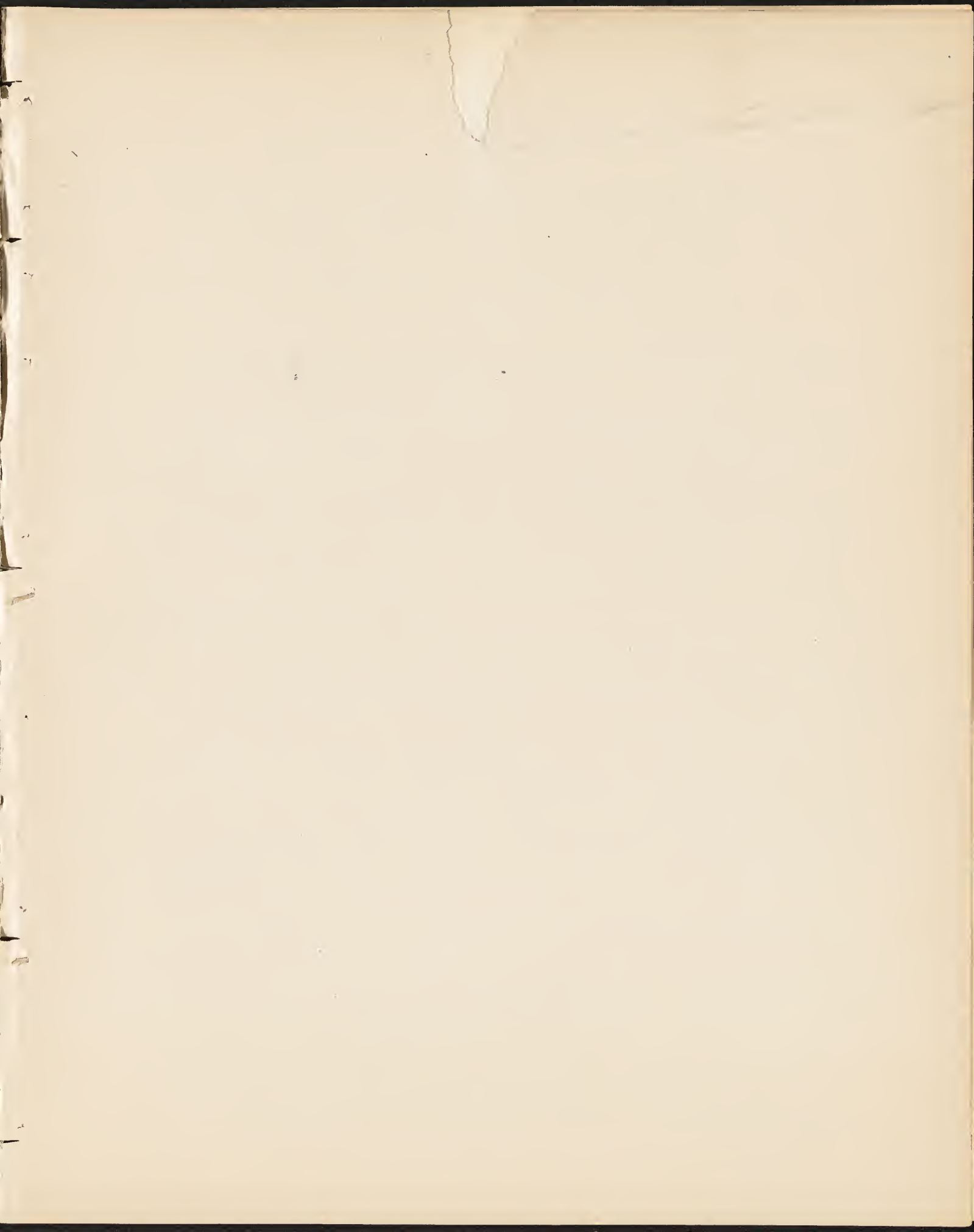
THE MERCANTILE TRUST COMPANY,  
by LOUIS FITZGERALD, *President*.

J. P. MORGAN & CO.

DEUTSCHE BANK,  
by EDWARD D. ADAMS.

AUGUST BELMONT,  
BRAYTON IVES,  
GEORGE R. SHELDON,  
CHARLEMAGNE TOWER, JR.









# PEORIA, DECATUR & EVANSVILLE RAILWAY CO.

## PLAN OF REORGANIZATION.

In presenting its plan of reorganization to the Security Holders, the First Mortgage Bondholders' Committee submits the following statement:

The Committee was appointed in March, 1894, to look after the interests solely of the First Mortgage Bonds of the Peoria and the Evansville Divisions. During the past three years the Receiver has paid the coupons on the said First Mortgage Bonds within six months of their maturity until the first of September, 1897, when the Receiver permitted the coupons due March 1, 1897, on the Evansville Division Bonds, to remain unpaid.

Under date of May 26, 1897, the Second Mortgage Bondholders' Committee submitted a plan of reorganization in which holders of the First Mortgage Bonds of the Peoria and the Evansville Divisions were asked to accept 5 per cent. interest in lieu of 6 per cent.; the amount of the First Mortgage was increased; an issue of \$500,000 Second Mortgage 5 per cent. Bonds was proposed; and the plan contemplated the expenditure of only \$260,000 for improvements and new equipment.

The Receiver's net obligations (exclusive of interest) to be provided for are estimated at about \$121,000, according to statement furnished by the Receiver.

[In their Report for 1894, the Receivers stated that when they assumed charge of the property on January 13, 1894, the amount of obligations assumed, and which the Courts required should be paid out of the first receipts, amounted to \$247,395.69.]

The past due interest on the First Mortgage Bonds of the Peoria and the Evansville Divisions amounts on October 1, 1897, to \$153,465.

The Committee in formulating its plan and having before it the report upon the property recently made for the Committee by Mr. William Barclay Parsons, felt the necessity of raising a much larger sum of money than the amount provided for in the plan submitted by the Second Mortgage Bondholders' Committee. The Chicago Division, formerly the Chicago & Ohio River Railway (not being covered by either of the above named First Mortgages, or by the Second Mortgage) is not included in the present plan of reorganization.

It is proposed to foreclose the First Mortgages of the Peoria and the Evansville Divisions and to purchase the properties secured thereby; in case of purchase, it is proposed to issue the following new securities:—

\$2,757,000 First Mortgage five per cent. fifty-year gold bonds (being the same amount as is now outstanding on the Peoria and the Evansville Divisions) to cover the main line from Evansville, Ind., to Pekin, Ill., about 238 miles, or about \$11,584 per mile;

\$3,000,000 five per cent Preferred Stock;

\$8,400,000 Common Stock;

and to distribute the said securities to the present security holders as follows:—

To First Mortgage bondholders of both the Peoria and the Evansville Divisions, 100 per cent. in the new First Mortgage bonds and 10 per cent. in the new Preferred Stock.



To Second Mortgage Bondholders  $112\frac{1}{2}$  per cent. in Preferred Stock upon the payment of a cash assessment of 25 per cent. of their present holdings.

To Stockholders, 100 per cent. of the new Common Stock and 5 per cent. in the new Preferred Stock upon the payment of a cash assessment of 5 per cent. of their present holdings.

The First Mortgage Bondholders of both the Peoria and the Evansville Divisions are to be paid in cash for the past due interest to October 1, 1897, at 6 per cent., and for the interest from October 1, 1897, to the date of the new bond at 5 per cent. The plan has been underwritten by responsible parties.

The average gross earnings of the road for the seven years, 1887 to 1893 inclusive (prior to the acquisition of the Chicago Division), were \$812,000 per annum.

The average gross earnings of the main line (that is, leaving out the Chicago Division), for the years 1894, 1895 and 1896 (during which period the road was in the hands of Receivers), were \$800,000 per annum.

The average net earnings of the main line (that is, leaving out the Chicago Division), after paying rentals and taxes for the years 1894, 1895 and 1896, were \$163,000 per annum. The interest charge under the plan proposed is..... 137,850 " "

In order that prompt reorganization may result, all security holders are requested to deposit their securities as provided under the plan with The Central Trust Company, 54 Wall Street, New York, at the earliest possible date.

NEW YORK, October 1, 1897.

WALSTON H. BROWN,  
WILLIAM AUGUSTUS WHITE,  
EDWARD H. LADD, JR.,  
MORTON S. PATON,  
CHARLES A. PEABODY, JR.,  
*First Mortgage Bondholders' Committee.*





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PLAN AND AGREEMENT TO PURCHASE THE RAILROAD  
OF THE  
Peoria, Decatur and Evansville Railway Company.

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**This Agreement** made and entered into this first day of October, 1897, by and between Walston H. Brown, William Augustus White, Edward H. Ladd, Jr., Morton S. Paton and Charles A. Peabody, Jr., their survivors and survivor and successors, hereinafter called "Committee," parties of the first part, The Central Trust Company of New York, hereinafter called the Trust Company, party of the second part, and holders of bonds and stock of the Peoria, Decatur and Evansville Railway Company and of certificates of deposit of the New York Security and Trust Company for Second Mortgage bonds of the Peoria, Decatur and Evansville Railway Company under a reorganization agreement of May 26, 1897, who have or shall become parties hereto, and hereinafter called security holders, parties of the third part, WITNESSETH:

WHEREAS, the railroad of the Peoria, Decatur and Evansville Railway Company is about to be sold under foreclosure decrees; and

WHEREAS, in order to prevent a sacrifice of the property it is essential that parties interested in the same should join in the purchase thereof, and should thereupon organize a new corporation to whom the property purchased shall be conveyed in consideration of securities to be issued and distributed; and

WHEREAS, the Peoria, Decatur and Evansville Railway Company, hereinafter called the Railway Company, has outstanding 1,287 bonds of \$1,000 each, secured by a first mortgage on the Peoria division, and 1,470 bonds of \$1,000 each, secured by a first mortgage on the Evansville division, and 2,088 bonds of \$1,000 each, secured by a mortgage covering both said Peoria and Evansville divisions, and which on each division is junior to the lien of said first mortgage on such division, and 84,000 shares of \$100 each share of capital stock; and

WHEREAS, the following plan for the purchase of said railroad property and the organization of a new Company or Companies to take said property and to issue new securities therefor and the distribution of such securities among the parties entitled to the same has been adopted, viz.:

That such new Company should issue 2,757 fifty-year five per cent. gold bonds of \$1,000 each, secured by a first mortgage on the whole of said mortgaged property, and 30,000 shares of \$100 each share of non-cumulative five per cent. preferred stock, and 84,000 shares of \$100 each share of common stock, entitled in each year to a dividend of five per cent. before any dividend in excess of five per cent. shall be declared on the preferred stock and to share equally with the preferred stock any dividend in any one year in excess of five per cent.

That holders of any of the bonds or capital stock of the Railway Company shall have the right up to a time to be fixed by said Committee and thereafter in the discretion of said Committee as to time and terms, to subscribe to and join in this plan and agreement for purchase and reorganization. That holders of first mortgage bonds secured by either mortgage shall deposit their bonds with said Trust Company for the account of said Committee and receive therefor the receipt of said Trust Company and shall also receive the interest unpaid on the bonds so deposited up to the first day of October, 1897, at the rate of six per cent. per annum. That such depositors of first mortgage bonds shall be entitled to receive



from said Committee when issued, said first mortgage bonds of the new Company dollar for dollar of deposited bonds, with interest on the principal of said deposited bonds at the rate of five per cent. per annum from October 1, 1897, to the date when said first mortgage bonds of the new Company shall begin to draw interest, and shall further be entitled to receive from said Committee when issued ten per cent. on the par of deposited bonds in the preferred stock of said new Company.

That holders of second mortgage bonds of the Railway Company and holders of certificates of deposit of said second mortgage bonds under any plan of reorganization heretofore proposed by other persons shall have the right to subscribe to and join in this plan and agreement by depositing their bonds or certificates with the Trust Company for the account of said Committee and paying to said Trust Company, to the credit of said Committee, 25 per cent. of the par of their said bonds or certificates so deposited, to wit, \$250 for each bond or certificate for a bond, in cash; fifty dollars thereof at the time of the deposit of said second mortgage bonds or certificates, and the balance in installments as called for by said Committee of not more than fifty dollars at intervals of at least thirty days, and that upon such payments said holders of said second mortgage bonds or certificates shall be entitled to receive from said Committee when issued one hundred and twelve dollars and fifty cents in preferred stock of said new Company for every one hundred dollars par value of said second mortgage bonds or certificates so deposited.

That the holders of capital stock of said Railway Company shall have the right to subscribe to and join in this plan and agreement by depositing their certificates of stock in said Railway Company, with transfer and power duly endorsed, with said Trust Company for the account of said Committee, and paying to said Trust Company, to the credit of said Committee, of 5 per cent. of the par value of their certificates of stock so deposited, to wit, five dollars on each share of \$100, in cash; one dollar on each share of stock at the time of the deposit of said certificates of stock, and the balance in installments as called for by said Committee of not more than one dollar on each share of stock at intervals of at least thirty days, and that upon such payments said holders of said certificates of stock shall be entitled to receive from said Committee when issued preferred stock of said new Company par value dollar for dollar of the money so paid, and common stock of the new Company par value dollar for dollar of the par value of the stock of said Railway Company so deposited.

NOW, THEREFORE, it is agreed as follows, to wit: FIRST.—That each and every person who shall deposit with the Central Trust Company of New York stock or bonds of the Railway Company or certificate of deposit of the New York Security and Trust Company of second mortgage bonds of the Railway Company, hereby promises and agrees to and with the Committee and to and with each and every other party hereto, and the said Committee and Trust Company do respectively agree, each for itself and not for the other or others, as follows:

FIRST.—A copy of this agreement, certified by a majority of the Committee, shall be lodged with the Trust Company and shall be taken and considered the original plan and agreement of reorganization.

SECOND.—Holders of bonds or stock of the Railway Company and holders of New York Security and Trust Company receipts for second mortgage bonds of the Railway Company may become parties to this agreement by depositing their securities and paying the assessments thereon upon the terms and conditions specified in this agreement and within the times limited as herein provided.

The deposit of securities hereunder and the acceptance of Trust Company certificates of deposit therefor shall constitute the respective depositing security holders parties to this agreement and bound by all the terms thereof with the same effect as if they had affixed their hands and seals hereto. The depositing security holders must in all cases deposit with the certificates for their stock or with their bonds or with their certificates of deposit of bonds such transfers, assignments and powers of attorney as may be required by the Committee in order to vest in the Committee or to enable it to transfer a complete

and absolute title to such stock, bonds or certificates of deposit of bonds; and the depositing security holders respectively agree at any time on demand of said Committee to execute any and all other transfers, assignments or writings necessary for vesting complete ownership of the bonds, stocks or certificates of deposit of bonds deposited hereunder in said Committee or in its nominee or for the purpose of enabling said Committee to carry out said plan of reorganization.

Depositors of second mortgage bonds of the Railway Company and holders of New York Security and Trust Company certificates of deposit of second mortgage bonds depositing the same must at the time of depositing their bonds or certificates pay to the Trust Company a first installment of fifty dollars for each \$1,000 of second mortgage bonds deposited and for each certificate of deposit of \$1,000 of second mortgage bonds on account of the assessment of two hundred and fifty dollars per second mortgage bond mentioned in this plan and agreement. The balance of the assessment shall be payable in installments of not more than fifty dollars each, and at intervals of not less than thirty days when and as called for by the Committee, and the Trust Company will give a receipt for such deposit and such payment.

Holders of stock of the Railway Company must at the time of depositing their stock pay to the Trust Company a first installment of one dollar per share on account of the assessment of five dollars per share mentioned in this plan and agreement. The balance of the assessment shall be paid in installments of not more than one dollar each, and at intervals of not less than thirty days when and as called for by the Committee. Calls by the Committee for the deferred payments, whether on deposit of bonds or certificates of bonds or stock, shall be advertised once a week for two weeks in the *New York Evening Post*.

Depositors of any securities who fail to pay any of the several installments of the assessment on or before the respective dates fixed or limited by the Committee upon advertisement of notice as above provided shall cease to be parties hereto or entitled to any benefit hereunder or in the securities deposited or assessments paid, and shall absolutely forfeit without right of redemption their stock or bonds or certificates thereof deposited and all rights hereunder, together with the amounts of assessments paid to the date of such default; and the Committee may sell or dispose of such forfeited stock and bonds or the new securities which may be issued in respect thereto to any purchaser paying the unpaid installments of the assessments or such other amount as said Committee may determine, and the proceeds thereof, together with the installments of assessments paid by defaulting depositors, may be used for any of the requirements of carrying out the plan of reorganization or any amendment thereof and as a reserve for the uses of the new Company. The Committee may, however, in its discretion, on such terms as said Committee shall see fit, by resolution, waive any such forfeiture, and accept payment of overdue installments of assessments at any time before filing its accounts with the new Company.

The terms "depositing security-holders," "securityholders," "stockholders," "bondholders" or "holders" of securities, or words equivalent thereto, shall be held to include trustees, guardians and other persons acting in a representative or fiduciary capacity.

THIRD.—The Committee shall have power to fix or limit the time within which holders of stock or bonds or certificates of deposit of bonds may deposit their securities and become parties to this agreement as herein provided, and may, in its discretion, and on such terms and conditions as it may see fit, either generally or in special instances extend or renew the time so fixed or limited, provided that in the first instance the limit for such deposit is fixed at November 1, 1897.

Notice of the time so fixed or limited and of any general renewal or extension thereof, shall be advertised in the manner above provided in respect to the payment of assessments.

Holders of stock, bonds or certificates for deposit of bonds not deposited in the manner herein provided, within the time so fixed, limited, extended or renewed, will not be entitled to deposit the same or become parties to this agreement or share in the benefits



hereof and shall acquire no rights hereunder, except by express consent of the Committee and on such terms and conditions as said Committee may prescribe.

Depositors of said certificates of stock, bonds or certificates of deposited bonds, shall receive Trust Company certificates of deposit, in a form to be approved by the Committee, specifying the securities deposited and assessments paid thereon, and the holders of such certificates of deposit by the Central Trust Company shall be entitled to the rights, benefits and advantages specified in this agreement and plan, and shall be bound by all the provisions thereof.

Such certificates of deposit of the Central Trust Company of New York, and all interest represented thereby, including assessments paid and noted therein or thereon, shall be transferable, subject to the terms and conditions of this agreement, in such manner as the Committee and Trustee shall approve, and upon such transfer the transferees and holders of such certificates of deposit issued in place thereof shall for all purposes be substituted in place of the prior holders, subject to this agreement.

Each certificate of deposit issued by the Trustee hereunder may be treated by the Trustee and Committee as a negotiable instrument, and the holder for the time being shall be deemed to be the absolute owner thereof and of all rights thereunder, and neither the Committee nor the Trustee shall be affected by any notice to the contrary.

FOURTH.—This agreement shall not be construed to create any trust, liability or obligation to or in favor of any person or corporation, except the Committee and the Trustee, and the holder or holders from time to time of certificates of deposit issued by the Trustee in accordance with this agreement.

The stock, bonds and certificates of deposit of bonds deposited under this agreement, purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied or discharged by the delivery to the depositors of new securities in respect thereof, and no legal right or lien shall be deemed released or surrendered, but said bonds and any deficiency judgment obtained in respect of any of said deposited bonds may be enforced by the Committee or its assigns until paid in full.

FIFTH.—Depositors of stocks, bonds or certificates for bonds respectively agree that the legal title to all stocks, bonds or certificates of bonds deposited hereunder shall vest in the Committee hereunder, and that said Committee shall have and exercise with respect thereto all the rights and powers of absolute ownership, and may transfer the same or any part thereof in the names of the Committee or of any Trust Company or person or persons whom the Committee may select. The Committee shall be entitled, as holder of all or any of said securities, to call and to attend and vote at any meeting or meetings of stockholders or bondholders, or holders of certificates for bonds, in person or by proxy, or agent, to declare due the principal of any of said bonds or obligations and to revoke such declaration; to exercise every other power conferred upon the holders of such bonds by the terms thereof or by the respective mortgages securing the same or otherwise; to institute or become parties to any legal proceedings which any of such security holders could institute or become parties to, and to become parties to and exercise control over all legal proceedings now pending, including the right to apply for receivers or for the removal of receivers and the substitution of other receivers and for the termination of any receivership; to enter into any settlement of any litigation, now or at any time hereafter threatened or pending, upon such terms as the Committee may deem advisable; to purchase or otherwise acquire, or contract for the purchase or satisfaction of any liens upon any part of said railroad or property, or claims against either of said divisions of the railroad, or the receivers of the property thereof; to compromise or settle with secured or unsecured creditors or other security holders or any committee representing them, or to take any action or proceeding which the Committee may in its discretion deem proper for the purpose of obtaining, securing or perfecting the title, ownership or possession of the railroad and other property of said Railway Company covered by said mortgages or any part thereof of whatsoever nature and wheresoever situated, or for the purpose of expediting the reorganization or avoiding

litigation; to incur all necessary expenses, and in general to do every act which in the opinion of said Committee may be judicious or advisable for the purpose of carrying out this plan of reorganization; it being hereby expressly declared that the specification of particular powers herein shall not be construed as limiting the grant of general powers hereby made, and that the exercise of the powers by this agreement conferred upon the Committee shall be entirely discretionary with the Committee.

SIXTH.—The Committee is authorized, in its discretion, to bid at any foreclosure or other sale for all or any of the property covered by the said mortgages or any of them, and to purchase or cause to be purchased any such property at any price which the Committee may in its judgment deem advisable. Said Committee shall also have power to make any such purchase in the name of any person or corporation by it chosen for that purpose; to apply the deposited securities or any of them, as far as may be, in satisfaction of any bid, or towards obtaining funds for the payment of the purchase price of any property purchased; to procure the incorporation of a new company or companies under the laws of the States of Indiana, Illinois, or any other State, or any of the same, and the consolidation of any such companies so organized, and to transfer the property so purchased by them and any of the deposited securities to such new corporation or corporations, and to make such arrangements and take such steps as the Committee may deem proper for the purpose of creating the new securities specified in this plan and agreement and for carrying out the provisions thereof.

SEVENTH.—The Committee shall be authorized to purchase, at such prices as to it shall seem fit, any notes or other obligations of the Receivers or Receiver of any of the said property covered by said mortgages, and may apply for that purpose any moneys received by said Committee for the assessments on the stock, bonds and certificates for bonds, or which may be otherwise received or raised under the provisions of this agreement.

Said Committee may borrow money for the purpose of paying any expenses incurred under this agreement and for the purpose of carrying out the same, and may pledge therefor the securities deposited with said Committee and the securities of the new Company to be received by said Committee. The Committee may sell or otherwise dispose of, upon such terms and conditions and at such prices as it shall deem proper, the new bonds and stock to which the security holders who do not become parties hereto would have become entitled if they had deposited their securities and complied with the provisions hereof, and said Committee may issue or cause to be issued interim receipts or certificates representing and entitling the holders to receive such new bonds and stocks when issued.

The Committee may make contracts with syndicates, bankers and others, to obtain an amount of money equal to the assessment upon the stock and bonds and certificates for bonds of non-assenting or non-paying stockholders, bondholders and certificate holders, and to entitle such syndicates, bankers or others to receive the new securities to which such non-assenting or non-paying stockholders and bondholders and certificate holders would have been entitled to receive if they had assented and paid their assessment in full, and it may also from time to time make contracts with syndicates, bankers and others to aid in procuring the deposit of securities hereunder, and to obtain, by loan, guaranty or by the sale of new securities to be created or otherwise on such terms, conditions and rates as said Committee may deem proper, any moneys required to carry out this plan and agreement, including such sums as it may deem expedient to provide for the uses of the new Company; and said Committee may charge the deposited securities and the new securities to be issued with any such contracts, and pledge the same for the payment of any moneys borrowed and interest thereon and any other obligations incurred under the powers herein conferred, including compensation to syndicates. Present or future members of the Committee may be pecuniarily interested in any class of securities which may be deposited hereunder, and in matters which are the subject of this agreement, and may be members of any syndicate and share in the profits thereof.

The Committee may, in its discretion, set apart and place in trust with the Trustee any part of the new securities to be issued or cash which may be received from sales of



such new securities or otherwise as it may deem judicious for the purpose of securing the application thereof for any of the purposes of this plan and agreement.

EIGHTH.—The Committee shall be the sole judge when and whether the deposit of a sufficient amount of securities of the Railway Company shall have been issued to warrant the Committee in carrying out the plan or any part thereof.

In case the Committee for any reason shall determine that it has become inexpedient to carry into effect this plan or any amendment thereof, then all the securities deposited by the parties hereto or like securities of the same issue or their proceeds, together with the assessments paid, shall be delivered and paid to the holders of the respective certificates of deposit of the Trustee issued for such securities, upon surrender of such certificates of deposit to the Trustee, and payment of *pro rata* share of the expenses and compensation of the Committee and any other expenditures made by the Committee under the powers herein conferred; it being understood that each depositing security holder shall be required to pay a *pro rata* share according to the par amount of his securities. Any interest paid or advanced to holders of certificates of deposit in respect of deposited bonds represented by such certificates or in respect of the new bonds to be issued in exchange therefor, must, in such case, be repaid by the holders of such certificates of the Trustee hereunder before the deposited bonds represented by such certificates shall be surrendered in exchange therefor.

In any such case, if any sums collected on account of the assessments shall have been applied by the Committee in the purchase of coupons, receivers' certificates or other claims, then such coupons, receivers' certificates or other claims, or the net proceeds thereof when received, shall be held in lieu of such assessment moneys and be distributed among the respective holders of certificates of deposit in lieu of such assessment moneys as aforesaid.

NINTH.—The Committee may supply any omission or correct any error in this plan and agreement, and may modify or depart from any provision thereof which said Committee shall unanimously deem not to be substantial. In case, however, in the opinion of said Committee, any change or alteration of the plan substantially affecting any class of deposited securities shall be necessary, such amendment shall be made only in the following manner:

A copy of the proposed change or alteration shall be lodged with the Trustee hereunder, and a notice thereof shall be advertised in the manner specified in regard to the payment of assessments. Thereupon any holders of certificates of deposit of the Trustee representing deposited securities of the class or classes so affected by the proposed change or alteration, who do not assent to such alteration, may at any time before the date specified in such advertisement, which date shall be at least thirty days after the first publication of such advertisement, withdraw the securities represented by their certificates of deposit and the assessments paid on the stock and bonds and certificates of bonds deposited upon surrendering their reorganization certificates of deposit to the Trustee and paying their *pro rata* share of expenses and other expenditures and compensation of the Committee incurred up to the date of such withdrawal. Any interest paid or advanced to holders of certificates of deposit in respect of deposited bonds represented by such certificates or in respect of the new bonds to be issued in exchange therefor, must, in such case, also be repaid by the holders of such reorganization certificates of deposit before the deposited bonds represented by such certificates shall be surrendered in exchange therefor. All holders of certificates of deposit who shall not exercise this right to withdraw their securities within said time shall be deemed to have assented to and adopted such alteration and shall be bound thereby, and the Committee shall be fully authorized to carry the same into effect with all the powers provided in this agreement.

TENTH.—The Committee shall prescribe the terms and provisions of the new securities and other instruments and determine the methods for creating them. The Committee shall organize the new corporation or corporations and shall name the members of the first Board of Directors.

ELEVENTH.—A majority of the Committee present in person or by proxy shall constitute a quorum. The Committee may adopt its own rules of procedure and may employ such counsel, attorneys in fact, and agents, as it deems proper and necessary, and fix the compensation for their services, and may make such other expenditures as it shall in good faith deem necessary for the purpose of carrying out this plan and agreement; it shall keep a record of its proceedings. Any member of the Committee may resign and the Committee may give a full release and discharge to any such member, and to the personal representatives of a deceased member. Successors to the members of the Committee whose places shall have become vacant shall be filled by the Committee, who may also, in their discretion, add to their members. All titles, rights and powers vested in the Committee shall from time to time vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever.

The Committee undertakes in good faith to endeavor to carry out this plan and agreement, but members thereof do not assume any personal responsibility for the execution thereof. No member of the Committee shall be liable in any case for the acts of any other member or members of the Committee, nor for the acts of their agents, subcommittees or employees; nor shall they be personally liable for any error of judgment or mistake of law, but each shall be liable only for his willful misfeasance. The Trustee shall not be liable for the acts of the Committee, nor for any agent of the Trustee appointed with the consent of the Committee. The members of the Committee respectively shall be entitled to receive reasonable compensation for their services, and such compensation, with the reasonable expenses of the Committee, shall be paid as part of the expenses of the reorganization, the amount of such compensation and expenses being first approved of by a majority of the Committee and by the President of the Central Trust Company of New York. The accounts of the Committee shall be filed with the Board of Directors of the new Company, and when audited by said Board of Directors shall be binding and conclusive upon all parties, and the Committee shall be thereby discharged.

TWELFTH.—Neither the Committee nor the Trustee guarantees the genuineness of any bond or certificate of deposit of any bond or stock certificate in respect to which a reorganization certificate of deposit is issued, and they respectively reserve the right to themselves to call in any such certificate upon returning to the holder of such certificate the bond or certificate deposited in respect thereof in case the genuineness of such bond or stock certificate is disputed or doubtful.

THIRTEENTH.—All moneys received by or remaining in the hands of the Committee, the proceeds of the sale or disposition of any of the securities of the new Company, and not needed for the payment of the expenses of reorganization, including all the expenses hereinbefore referred to and not needed for the payment to non-assenting security holders or stockholders, shall be applied by the new Company for the purpose of paying for repairs, improvements and replacements upon the mortgaged property which shall be made by the new Company by and with the consent of the Committee, and shall be paid over to the new Company only for such purposes, and as such repairs, improvements and replacements are made. When the whole of such moneys shall be paid over to the new Company the said Committee and the new Company shall have an account with respect to the same, and the account so rendered and agreed upon between said new Company and the Committee shall be final and conclusive on all parties.

FOURTEENTH.—Construction of this instrument is devolved upon the Committee and its construction of the same or any part thereof or any action thereunder in good faith shall be final and conclusive.

WITNESS the hands of the Committee by its Chairman and the signatures of a majority thereof; also the hands of security holders with the securities deposited by



them stated with their signatures and the Trustee by its President, this first day of October, 1897.

SIGNATURES.	AMOUNT AND KIND OF SECURITY.

PLAN AND AGREEMENT FOR THE REORGANIZATION  
OF THE  
ST. LOUIS AND SAN FRANCISCO  
RAILWAY COMPANY.

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Dated April 21st, 1896.

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LOUIS FITZGERALD,  
J. KENNEDY TOD,  
ISAAC N. SELIGMAN,  
SIEGMUND ALSBERG,  
JAMES A. BLAIR,  
BENJAMIN P. CHENEY,  
SAMUEL C. EASTMAN,  
CHARLES S. GLEED,

} *Committee.*

FREDERICK STRAUSS,  
*Secretary.*

CARY & WHITRIDGE,  
*Counsel.*



# REORGANIZATION

OF THE

## St. Louis and San Francisco Railway Company.

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The St. Louis and San Francisco Railway has been for the past six years operated as a part of the Atchison, Topeka and Santa Fé System through the ownership by the Atchison, Topeka and Santa Fé Railroad Company of practically its entire capital stock.

During such operation by the Atchison Company, that Company obtained possession of a large amount of the Consolidated Bonds of the St. Louis and San Francisco Company, of which, prior to the appointment of receivers, about \$5,633,000 had been pledged by the Atchison Company as collateral security for notes issued by it.

In pursuance of the plan of reorganization of the Atchison Company, these notes were taken up by the Atchison Joint Executive Reorganization Committee, and, for several months past, that Committee has been negotiating with the representatives of the non-Atchison interests in the Consolidated Bonds, for an independent reorganization of the St. Louis and San Francisco Railway Company. These negotiations proved fruitless, owing largely to the impossibility of reaching a satisfactory agreement with regard to control in the future, and arrangements have been made for the purchase, at 35 per cent., of the Consolidated Bonds held by the Atchison Joint Executive Reorganization Committee.

The undersigned Committee, which has been formed by representatives of committees in Amsterdam, Boston and New York, and which represents the holders of a large majority of all the Consolidated Bonds not held in the Atchison interest, have prepared a plan which it submits herewith, based upon the foreclosure of the present Consolidated Mortgage, and for a reorganization for the benefit of the Consolidated Bonds without any right of participation of the existing stock interests.

The plan, the details of which may be seen by reference thereto and to the annexed agreement, provides for a reduction of the fixed charges from their present amount, \$2,531,074, to \$1,994,330, an amount which, from the accompanying tabulated statement of the earnings of the Company, has been well within the earning capacity of the railroad, even in the year 1893-4, under the abnormal conditions then prevailing. During the last fiscal year, while operated by the Receivers, and hampered by subordination to Atchison interests, the Company earned \$2,336,787.30, sufficient to meet the interest charges entailed by the plan, and leave a surplus equal to about seven per cent. on the amount of the new first preferred stock.



The figures in the accompanying tables have been furnished by the officers of the Company.

Provision has been made for future necessary improvements by the reservation, under proper restrictions, of new bonds for that purpose, of which not more than \$300,000 will be available in any one year, an amount which, as shown by the improvement account for the past nine years (Plan, p. 14), should be amply sufficient for betterments.

By providing for future improvements and for the taking up of car trusts, maturing monthly during the next few years, net earnings otherwise required for this purpose should become available for dividends, and the retirement from time to time of prior lien bonds bearing higher rates of interest, will afford opportunity for a further reduction of interest charges after the property, under independent management, shall have demonstrated its full earning capacity. About \$5,600,000 of the A, B and C bonds will mature in about ten years, and thereafter, as other issues mature, the total fixed charges should be reduced and the value of the new bonds and stock correspondingly enhanced.

The Committee regrets the necessity of imposing any assessment on the Consolidated Bonds, which have already suffered severely. The Committee has made this burden as little onerous as possible by giving for the assessment first preferred stock at about 70, and has sought to secure to the Consolidated Bondholders the full value of the property through the opportunity offered them to subscribe to the new securities and stocks.

The decree of foreclosure is about to be entered, and it is intended that the sale shall be had at an early day. It is therefore of the greatest importance that holders should deposit their bonds under the plan, at once. June 1, 1896, has been fixed by the Committee as the day on which all bonds must be deposited; thereafter bonds will be received, if at all, upon such terms as the Committee may impose.

NEW YORK, April 21st, 1896.

LOUIS FITZGERALD, *Chairman.*  
J. KENNEDY TOD,  
ISAAC N. SELIGMAN,  
SIEGMUND ALSBERG,  
JAMES A. BLAIR,  
BENJAMIN P. CHENEY,  
SAMUEL C. EASTMAN,  
CHARLES S. GLEED,  
*Committee.*

## PRELIMINARY CONDITIONS OF PARTICIPATION UNDER THE PLAN.

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Participation under the plan of reorganization, in any respect whatsoever, by any bondholder, is dependent on his depositing his holdings with The Mercantile Trust Company, on or before the first day of June, 1896, and will embrace only consolidated bonds so deposited, and is further dependent on the payment of the assessment of ten per cent. as provided in the plan. All securities for deposit must be in negotiable form.

The assessment will be payable in two equal installments of five per cent. each; the first installment, at the time of the deposit of bonds under the plan, without the payment of which no bonds will be received; the second installment, on July 15th, 1896. All payments must be receipted for by the Depositary on the reorganization certificates.

Failure to pay the second installment when and as payable, will subject the deposited security, and all rights on account of any prior payment, to forfeiture to the Committee for the purposes of the reorganization.

Deposits may be made with the Depositary at its office in the City of New York, or at its agency in Amsterdam, or at its agency in Boston. The installments of the assessment will be payable at the place at which the deposit is made.

PLACES FOR DEPOSIT:

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IN NEW YORK :

The Mercantile Trust Company,

120 BROADWAY.

IN AMSTERDAM :

The Agency of The Mercantile Trust Company,

Nederlandsche Vereeniging ter behartiging van de belangen van  
houders der 4% St. Louis and San Francisco Geconsolideerde  
Hypotheek Obligatiën.

IN BOSTON :

The Agency of The Mercantile Trust Company,

The American Loan and Trust Company,

53 STATE STREET.

# PLAN OF REORGANIZATION.

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## THE NEW COMPANY.

A new railroad company will be created, or an existing charter or company will be used, for the purposes of reorganization. The term "new company," as hereinafter used, is intended to mean whatever company may finally be utilized to issue the new securities provided for in this plan.

It is intended to vest in the new company the ownership or control of substantially the entire St. Louis and San Francisco system, as acquired by the Committee at foreclosure sale or otherwise, and the new company will, so far as practicable, be vested with direct ownership of the various properties comprised in the system.

All bonds deposited hereunder shall be held subject to the order and control of the Committee and are to be kept alive so long as it is necessary for the purposes of reorganization and thereafter as the Committee may deem expedient.

## NEW SECURITIES.

### A.

The new company will authorize the following securities :

#### **1. Consolidated Mortgage 100-year 4 Per cent. Gold Bonds for \$50,000,000.**

These bonds are to be secured by a mortgage and pledge of all properties and securities embraced in the reorganization as carried out, and also all other property which shall be acquired thereafter by use of any of the new bonds. They will bear interest from July 1, 1896.

Enough new bonds at the rate of 80 per cent. (approximately \$39,072,000) will be reserved for the retirement of all outstanding undisturbed issues.

The residue of the new bonds not required for the purposes of reorganization will be reserved for the purposes of future betterments, equipment, etc., available only to an extent of not exceeding \$300,000 in any one year.

No compulsory redemption of the new bonds can be made prior to their maturity.

#### **2. Non-cumulative 4 per cent. First Preferred Stock for \$5,000,000.**

The first preferred stock will entitle the holders to non-cumulative dividends up to four per cent. per annum, payable out of net earnings before any dividends shall be paid on the Second Preferred or the Common Stock.



**3. Non-cumulative 4 per cent. Second Preferred Stock for \$16,000,000.**

The second preferred stock will entitle the holders to non-cumulative dividends up to 4 per cent. per annum, payable out of net earnings before any dividends shall be paid on the Common Stock.

**4. Common Stock for \$29,000,000.**

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All the stock will be divided into shares of \$100 each.

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**B.**

As a consideration for the property and securities to be conveyed or delivered to the new company, or which, pursuant to this plan, the new company shall acquire, it is contemplated that the new company shall deliver the foregoing bonds and stock, excepting the portions to be held against such of the existing securities as are not disturbed, and such final amounts as shall be reserved for the future use of the new company.

The requisite deliveries of the new securities to depositors and subscribers under the plan will thus be provided for.

**C.**

As additional protection to the new Mortgage Bonds, all classes of stock of the new company (except such number of shares as may be disposed of to qualify directors), are to be vested in the seven following Voting Trustees: John A. Stewart, Louis Fitzgerald, J. Kennedy Tod, Isaac N. Seligman, Benjamin P. Cheney, Samuel C. Eastman and James A. Blair.

In the event of the death of any person designated as a Voting Trustee, prior to the creation of the Voting Trust, the vacancy shall be filled by the Committee.

The stock shall be held by the Voting Trustees and their successors, jointly (under a trust agreement prescribing their powers and duties and the method of filling vacancies) for five years, and for such further period (if any) as shall elapse before the First Preferred Stock shall have received a four per cent. cash dividend for two consecutive years, although the Voting Trustees may, in their discretion, deliver the stock at any earlier date, but not in any event prior to January 1, 1902, save with the consent of the holders of at least two-thirds in amount of the beneficial interest certificates of each class. Until delivery of stock is made by the Voting Trustees, they shall issue certificates of beneficial interest entitling the registered holders to receive, at the time therein provided, stock certificates for the number of shares therein stated, and in the meanwhile to receive payments equal to the dividends collected by the Voting Trustees upon the number of shares therein stated, which shares, however, with the voting power thereon, shall be vested in the Voting Trustees until the stock shall become deliverable, as provided in such certificates of the Voting Trustees.

Provision is to be made that no additional mortgage shall be put upon the property to be acquired hereunder, nor the amount of the First Preferred Stock authorized under this plan be increased, except with the consent, in each instance, of the holders of a majority of

the whole amount of each class of Preferred Stock, given at a meeting of the stockholders called for that purpose, and with the consent of the holders of a majority of such part of the Common Stock as shall be represented at such meeting, the holders of each class of stock voting separately; also that the amount of Second Preferred Stock shall not be increased except with like consent by the holders of a majority thereof, and a majority of such part of the Common Stock as shall be represented at the meeting. During the existence of the Voting Trust, the consent of holders of like amounts of the respective classes of beneficial certificates shall also be necessary for the purposes indicated.

The new Company may reserve the right at any time to redeem either or both classes of its Preferred Stock at par in cash, if allowed by law.

### D.

**These new Bonds and Stock Trust Certificates** are intended to be used as shown in the accompanying tables (subject only to such changes as may be necessary for the effective carrying out of the plan), viz.:

#### BONDS.

For prior lien bonds.....	\$39,072,000
“ subscription by depositing bondholders.....	5,500,000
“ branch lines, new construction, additions and betterments, additional equipment, etc., and for the general purposes of reorganization (the surplus to go to the new Company) .....	5,428,000
	<hr/>
	\$50,000,000

#### First Preferred Stock.

For assessment on Consolidated Mortgage Bonds .....	\$1,149,974
“ subscription by depositing bondholders.....	3,850,000
Balance .....	26
	<hr/>
	\$5,000,000

#### Second Preferred Stock.

For Consolidated Mortgage Bonds.....	\$8,214,100
“ subscription by depositing bondholders.....	5,500,000
“ branch lines, contingencies and the general purposes of the reorganization (any surplus to go to the new Company).....	2,285,900
	<hr/>
	\$16,000,000

#### Common Stock.

For Consolidated Bonds.....	\$14,785,380
“ subscription by depositing bondholders.....	9,900,000
“ branch lines, contingencies and the general purposes of the reorganization (any surplus to go to the new Company).....	4,314,620
	<hr/>
	\$29,000,000

## CASH REQUIREMENTS AND PROVISION THEREFOR.

The requirements of the plan estimated as of July 1, 1896, are approximately as follows:

* Arrears of interest and sinking funds.....	\$1,737,500
† Branch line coupons.....	494,000
Car Trusts, air brakes, car couplers, repairs to equipment and improvements during first fiscal year, and St. Louis Terminals.....	1,340,000
Receiver's certificates and other receivership liabilities.....	620,000
For acquisition of \$5,633,000 4 per cent. consolidated bonds owned by Atchison Joint Executive Reorganization Committee, at 35 per cent. and interest (approximately) .....	2,000,000
Expenses of reorganization and contingencies.....	650,000
	\$6,841,500

This amount will be provided as follows:

By assessment of 10 per cent. on consolidated bonds.....	\$821,410
By sale of securities.....	5,500,000
* Cash on hand July 1, 1896 (estimate of Gen'l Manager).....	700,000
	\$7,021,410
Requirements as above.....	6,841,500
	\$179,910

In order to provide the \$5,500,000 above stated, the Committee offers bondholders who shall be entitled to participate in the reorganization:

\$5,500,000 of the New Mortgage Bonds.  
 \$3,850,000 of the First Preferred Stock. (Trust Certificates.)  
 \$5,500,000 of the Second " " (Trust Certificates.)  
 \$9,900,000 of the Common Stock. (Trust Certificates.)

Each bondholder will be entitled to subscribe in respect of each \$1,000 Consolidated Mortgage Bond deposited by him for

**\$670 New Mortgage Bonds.**  
**\$469 First Preferred Stock.** (Trust Certificates.)  
**\$670 Second Preferred Stock.** (Trust Certificates.)  
**\$1,206 Common Stock.** (Trust Certificates.)

Paying therefor,

**\$670 in cash.**

\* These amounts may be proportionately reduced by payments made by the Receivers pending reorganization.

† The Trustee of the Consolidated Mortgage has appealed from the order for the payment of this interest, and the appeal is pending.



Holders of bonds for \$500 and \$100 will be entitled to a proportionate subscription on payment of proportionate amount.

The privilege to make such subscription must be exercised at the time of the deposit of the Consolidated Bonds under the plan, and may be exercised in respect of all or any bonds so deposited. Each subscription must be accompanied by the payment of—

\$170.00 in respect of each \$1,000 bond deposited.				
85.00	"	"	500	"
17.00	"	"	100	"

Such subscription may be made at the option of the subscriber at the office of the depositary, The Mercantile Trust Company, in the City of New York, or at its agency in Amsterdam or at its agency in Boston, and the residue of the amount of the subscription will be payable at said office or agency at which such subscription shall be made, in two equal installments, the first on **July 15, 1896**, the second on **August 15, 1896**.

Failure to pay any installment of the subscription when and as payable, will forfeit all rights in respect of the bonds and stock trust certificates subscribed for, and all rights in respect of any prior payment to the Committee, which shall become vested therewith as the absolute owner thereof for the purposes of the reorganization.

Separate certificates in negotiable form will be issued in respect of subscriptions.

Interest on the installments of subscription and on the new Mortgage Bonds will be adjusted at four per cent.

**A Syndicate** has been formed, which definitely agrees:

1. To underwrite the payment of the assessment on the Consolidated Mortgage Bonds of the present Company, the Syndicate to acquire all the rights of holders of Consolidated Bonds who shall not deposit their bonds and pay the assessments thereon.
2. To underwrite the subscriptions to \$5,500,000 of the new Mortgage Bonds and \$3,850,000 of the new First Preferred Stock and \$5,500,000 of the new Second Preferred Stock and \$9,900,000 of the new Common Stock offered for subscription to the Consolidated Mortgage Bondholders.
3. To loan, for the purposes of the reorganization, at the call of the Committee \$1,000,000 in anticipation of the amounts to be raised under the plan.



### **TREATMENT OF SECURITIES.**

Consolidated Mortgage Bondholders who deposit their bonds and pay their assessments in full, receive for each \$1,000 Consolidated Bond, with coupons matured April 1, 1894, and subsequent thereto,

**\$140 in First Preferred Stock.** (Trust Certificates.)\*  
**\$1,000 in Second Preferred Stock.** (Trust Certificates.)  
**\$1,800 in Common Stock.** (Trust Certificates.)

The foregoing amounts are based upon the principal amount of the bonds, which must be deposited with all unpaid coupons.

Equitable settlement may be made for fractional amounts accruing to depositors and subscribers.

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\* For the assessment.

**BRANCH LINES.**

KANSAS MIDLAND R. R. 4 % First Mortgage Bonds \$1,608,000.

ST. LOUIS, SALEM & ARKANSAS R. R. 5 % First Mortgage Bonds \$810,000.

ST. LOUIS, KANSAS & SOUTHWESTERN R. R. 6 % First Mortgage Bonds \$890,000.

KANSAS CITY & SOUTHWESTERN R. R. 6 % First Mortgage Bonds \$744,000.

In order to provide for the acquisition and improvement of these properties, New Mortgage Bonds, Second Preferred Stock and Common Stock have been reserved.

The new Company may acquire or provide for the acquisition of the railroad and property of any of these Companies, or the bonds and obligations of any such Company, and may use for that purpose such portions of the new bonds and stock trust certificates, reserved as above provided, or any other bonds or stock trust certificates available for the general purposes of the plan and not otherwise appropriated, as the Committee may determine. The Committee may at any time, by advertisement or otherwise, offer to the holders of the bonds and obligations of such Companies the right to deposit their bonds under this plan and the agreement hereto annexed, upon such terms and conditions and within such times as the Committee may determine.

Upon the acquisition of the railroad and property of any of said companies, or of stock and bonds of the corporation in which the title thereto shall be vested, such property or stocks and bonds, as the case may be, will be transferred to the new Company to be formed as a successor to the St. Louis and San Francisco Railway Company, and will be made subject to the new mortgage.

In case any portion of the new mortgage bonds or stock trust certificates shall not be used by the Committee for the purposes aforesaid, the Committee may make such disposition thereof as will enable the new Company formed as a successor to the St. Louis and San Francisco Railway Company to use the same for the said purposes, or any of them.

## STATEMENT OF MILEAGE.

### A. Lines Owned.

	Miles.
Main Line : St. Louis, Mo., to Seneca, Mo. ....	326.28
Kansas Division : Pierce City, Mo., to Wichita, Kan. ....	217.40
Texas Division : Monett, Mo., to Paris, Texas (not including Ft. Smith and Van Bridge) .....	303.07
Bolivar Branch : Springfield, Mo., to Bolivar, Mo. ....	38.79
White River Branch : Springfield, Mo., to Chadwick, Mo. ....	34.86
Springfield Belt Line .....	3.18
Joplin Branch : Oronoogo, Mo., to Joplin, Mo. ....	9.32
Weir City Branch : Pittsburgh, Kan., to Weir City, Kan. ....	10.48
Galena Branch : Girard, Kan., to Galena, Kan. ....	46.43
St. Paul Branch, Fayetteville, Ark., to St. Paul, Ark. ....	33.29
Mansfield Branch : Jenson, Ark., to Mansfield, Ark. ....	18.34
Granby Branch (1.5) ; Carbon Branch (3.25) .....	4.75
	<hr/> 1,046.19 <hr/>

### B. Lines Leased.

St. Louis, Salem and Arkansas Railroad ..	54.00
Ft. Smith and Van Buren Bridge .....	0.34
Kansas City and Southwestern Railroad .....	61.86
St. Louis, Kansas and Southwestern Railroad .....	59.35
Kansas Midland Railroad .....	106.77
	<hr/> 282.32 <hr/>

## STATEMENT OF BONDED DEBT AND PRESENT FIXED CHARGES.

### A. Bonds not Disturbed in Present Reorganization.

	Amount Out-standing.	Date of Maturity.	Rate.	Interest due.	Fixed charges.	Sinking Fund.
1. St. Louis and San Francisco Railway Company: A Bonds, \$500,000 B Bonds, 2,766,500 C Bonds, 2,400,000:.....	\$5,666,500	Nov., 1906	6%	M. & N.	\$339,990	
2. Bonds on Road of former Missouri and Western Railway Company.....	1,040,000	Aug., 1919	6%	F. & A.	62,400	\$5,200
3. First Mortgage Trust 6s of 1880.....	1,000,000	Aug., 1920	6%	F. & A.	60,000	10,000
4. Trust First Mortgage 5s of 1887.....	1,099,000	Oct., 1987	5%	A. & O.	54,950	
5. General Mortgage Bonds 6s.....	7,807,000	July, 1931	6%	J. & J.	468,420	
General Mortgage Bonds 5s.....	12,293,000	July, 1931	5%	J. & J.	614,650	
6. St. Louis, Wichita and West Railway Company First Mortgage 6s.....	2,000,000	Sept., 1919	6%	M. & S.	120,000	
7. Fort Smith and Van Buren Bridge First 6s.....	352,000	April, 1910	6%	A. & O.	21,120	17,600
Total .....	\$31,257,500				\$1,741,530	\$32,800

### B. Bonds Disturbed in Present Reorganization.

	Amount Out-standing.	Date of Maturity.	Rate.	Interest due.	Fixed charges.	Sinking Fund.
8 Consolidated Mortgage.....	\$13,847,100	Oct., 1919	4%	A & O.	\$553,884	
9. Kansas City and Southwestern Railroad First 6s.....	744,000	Jany., 1916	6%	J. & O.	44,640	
10. St. Louis, Kansas and Southwestern Railroad First 6s.....	890,000	Sept., 1916	6%	M. & S.	53,400	
11. St. Louis, Salem and Arkansas Railway First 5s.....	810,000	Dec., 1936	5%	J. & D.	40,500	
12. Kansas Midland Railway First 4s.....	1,608,000	June, 1937	4%	J. & D.	64,320	
Total.....	\$17,899,100				\$756,744	



## GROSS EARNINGS, OPERATING EXPENSES AND NET EARNINGS.

YEARS.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.	TAXES.	NET EARNINGS.
					Operating Expenses and Taxes Deducted.
1887.....	\$6,229,344 56	\$2,668,098 92	\$3,561,245 64	\$137,202 53	\$3,424,043 11
1888.....	5,773,250 99	3,355,614 77	2,417,636 22	173,771 43	2,243,864 79
1889.....	6,052,950 68	3,264,683 18	2,788,267 50	165,534 57	2,622,732 93
1889-90.....	6,394,068 74	3,479,381 05	2,914,687 69	165,534 57	2,749,153 12
1890-91.....	6,748,508 08	3,840,858 56	2,907,649 52	176,550 19	2,731,099 33
1891-92.....	7,053,228 20	4,013,184 03	3,040,044 17	192,373 51	2,847,670 66
1892-93.....	7,542,657 73	4,453,151 48	3,089,506 25	190,514 64	2,898,991 61
1893-94.....	6,178,735 85	3,898,998 60	2,279,737 25	240,790 09	2,038,947 16
1894-95.....	6,081,424 41	3,542,132 83	2,539,291 58	202,504 28	2,336,787 30

Average annual net earnings from operation, 9 years..... \$2,654,810 01  
 Lowest annual net earnings from operation..... \$2,038,947 16  
 Net earnings for year 1894/5..... \$2,336,787 36

## IMPROVEMENTS.

1887.....	\$176,565 45	1891-92.....	78,842 94
1888.....	134,424 54	1892-93.....	137,209 16
1889.....	30,462 75	1893-94.....	32,212 74
1889-90.....	1,533 90	1894-95.....	46,049 55
1890-91.....	198,038 83		

# **FIXED CHARGES UNDER PLAN, AND POSITION OF NEW COMPANY.**

Annual coupon interest on all bonds not disturbed in plan of reorganization.	\$1,741,530 00
Sinking funds (approximately).....	32,800 00
	<hr/>
	\$1,774,330 00
Interest on \$5,500,000 new 4 % bonds offered for cash subscription.....	220,000 00
	<hr/>
Total estimated fixed charges under plan exclusive of interest on bonds reserved for Branch Lines.....	\$1,994,330 00
	<hr/>
Average annual net earnings, 9 years .....	\$2,654,810 01
Fixed charges under plan as above .....	\$1,994,330 00
	<hr/>
Surplus over fixed charges .....	\$660,480 01
Dividend 4 per cent. on 1st preferred stock.....	\$200,000 00
	<hr/>
Surplus over dividends on 1st preferred stock.....	\$460,480 01
	<hr/>
(Equal to a dividend of $2\frac{7}{8}$ % on the 2d preferred stock.)	
Net earnings, year 1894-95.....	\$2,336,787 30
Fixed charges as above.....	\$1,994,330 00
	<hr/>
Surplus over fixed charges .....	\$342,457 30
Dividend 4 per cent. on 1st preferred stock.....	\$200,000 00
	<hr/>
Surplus over dividends on 1st preferred stock.....	\$142,457 30

These earnings are the lowest in the history of the company other than for the year 1893-94, in which latter year, however, the earnings were abnormally low, owing to the strike existing on the principal railroads, and also to the extraordinary depression in business.



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Agreement.

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**An Agreement**, made this twenty-first day of April, 1896, between LOUIS FITZGERALD, J. KENNEDY TOD, ISAAC N. SELIGMAN, SIEGMUND ALSBERG, JAMES A. BLAIR, BENJAMIN P. CHENEY, SAMUEL C. EASTMAN and CHARLES S. GLEED, hereinafter called the Committee, parties of the first part, and HOLDERS of the Consolidated Mortgage Bonds of the St. Louis and San Francisco Railway Company, who shall become parties to this agreement, parties of the second part.

WHEREAS a protective committee of the holders of said Consolidated Mortgage Bonds has been formed in Boston, of which William T. Hart is Chairman (hereinafter called the Boston Committee), and a like committee in New York, of which Francis Peabody, Jr., is Chairman (hereinafter called the New York Committee); and

WHEREAS the Nederlandsche Vereeniging ter behartiging van de belangen van houders der 4 % St. Louis and San Francisco geconsolideerde Hypotheek Obligatiën (hereinafter called the Amsterdam Committee), has been incorporated at Amsterdam, Holland, by royal charter, for the like purpose of protecting the interests of the Consolidated Mortgage Bonds; and

WHEREAS the foregoing plan for the reorganization of the affairs of the St. Louis and San Francisco Railway Company has been approved by the representatives of said Committees:

THIS AGREEMENT WITNESSETH: that each and every person or party who shall have deposited his bonds with the Depositary hereunder, as hereinafter provided, hereby promises and agrees to and with the Committee and every other party hereto, and to and with the Depositary, and the Committee and the Depositary, respectively, do reciprocally promise and agree as follows:

FIRST.—A printed copy of this agreement, certified by a majority of the Committee and lodged with the Depositary, shall be held and taken as the original agreement. The foregoing plan is, and shall be taken to be a part of this agreement, with the same effect as though each and every provision thereof had been embodied herein, and said plan and this agreement shall be read as parts of one and the same paper.

Depositors of bonds shall receive receipts or certificates of deposit in a form to be approved by the Committee, specifying the bonds deposited and assessments paid thereon, and all rights of the depositors in respect of such deposits shall be such only as are evidenced by such receipts or certificates; and thereafter the holder of any such receipt or certificate, or of any receipt or certificate issued in lieu thereof or in exchange therefor, shall be subject to this agreement and entitled to have and exercise the rights of the original depositor under the receipt or certificate issued to him in respect of the bonds therein mentioned.

The respective receipts and certificates of deposit and the interests represented thereby, and all rights of holders in respect of the deposited bonds and the assessments paid thereon, shall be transferable only subject to the terms and conditions of this agreement, and in such manner as the Committee shall approve, and, upon such transfer, the transferees and holders of such receipts or certificates of deposit shall for all purposes be substituted in place of the prior holders, subject to this agreement. All such transferees, as well as the original holders of receipts or certificates of deposit, shall be embraced under the term "Depositors," whenever used herein. Each receipt or certificate

of deposit may be treated by the Committee and by the Depositary as a negotiable instrument, and the holder for the time being may be deemed to be absolute owner thereof and of all rights of the original depositor of the bond and assessments in respect to which the same was issued, and neither the Depositary nor the Committee shall be affected by any notice to the contrary. By accepting any such receipt or certificate, every recipient or holder thereof shall thereby become party to this agreement with the same force and effect as though an actual subscriber hereto under seal. The term Depositary, whenever used herein, is intended and shall be construed to include not only persons acting in their own right, but also trustees, guardians, committees, agents, and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, joint stock companies and corporations. Until a deposit shall have been fully completed hereunder and a receipt or certificate therefor actually issued to the Depositary, neither he nor any one claiming under him shall have any right hereunder, and then only as specified in such receipt or certificate.

The Depositary shall receive the deposited bonds and shall hold the same subject to the order and control of the Committee.

The Depositary may authorize and appoint any agent approved by the Committee to receive deposits of bonds and payment of assessments, and to issue certificates of deposit as agent for the Depositary, and the Depositary may make such arrangements as will enable the holders of certificates of deposit issued at any agency to exchange the same for similar certificates issued by the Depositary or at any other agency, and may transmit to its agencies or cause its agencies to transmit to each other or to it such deposited bonds corresponding to any exchange of certificates made.

The Committee may, in its discretion, fix or limit the time within which the holders of bonds, may deposit their bonds and become parties to this agreement, and the times when the assessments on the bonds must be paid, and may, in its discretion, either generally or in special instances, extend or renew the time so fixed or limited, on such terms and conditions as it may see fit. Holders of bonds not deposited in the manner herein provided within the time fixed or limited for the deposit thereof will not be entitled to deposit the same or become parties to this agreement, or share in the benefits thereof, and shall acquire no rights thereunder, except by express consent of the Committee, and upon such terms and conditions as the Committee may fix. Depositors of bonds who shall fail to pay their assessments within such time as shall be fixed or limited shall cease to be parties hereto or entitled to any benefit hereunder, or in the bonds deposited or assessments paid, and shall absolutely forfeit without right of redemption their bonds, together with any part of the assessments paid thereon, and the Committee may sell the same, or the new securities which may be issued in respect thereof, to any purchaser paying such amount as the Committee may determine, and the proceeds thereof may be used for any of the requirements of carrying out said plan and as a reserve for the uses of the new company. The Committee may, however, in its discretion, on such terms as it shall see fit, waive by resolution any such forfeiture or failure to pay the assessment within the times allowed.

The Amsterdam Committee shall forthwith adopt the foregoing plan and this agreement, and submit the same to its depositing bondholders at a meeting to be called in accordance with the articles of association of the Amsterdam Committee. When said plan and this agreement shall be adopted as in said articles of association provided, and the same shall become binding upon all its said depositing bondholders, the Amsterdam Committee shall thereupon require said depositing bondholders, within the time herein limited for the deposit of bonds hereunder, to produce to the Amsterdam Committee the certificates of the Amsterdam Committee to be stamped assented to said plan and this agreement, and to pay the first installment of the assessment on their said bonds. The Amsterdam Committee may from time to time subscribe this agreement in respect of assenting



certificate holders, and shall transmit to the Depositary at its office in New York the consolidated bonds in respect of which the Amsterdam Committee shall subscribe this agreement, and the Depositary shall issue to the Amsterdam Committee certificates of deposit for said bonds under said plan and this agreement.

The Committee may, in its discretion, for the purpose of carrying out the plan, call in for deposit any of the undisturbed bonds mentioned in the plan, and may cause any mortgage securing the bonds so deposited to be foreclosed, and cause other similar bonds having similar security to be issued in exchange for such bonds.

SECOND.—The Depositors hereunder hereby request the Committee to endeavor to carry into practical operation this agreement, including the foregoing plan of reorganization, in its entirety or in part, to such extent and in such manner and with such additions, exceptions and modifications as the Committee shall deem to be for the best interests of the Depositors or of the properties finally embraced in the plan of reorganization. Each and every Depositor, for himself, and not for any other Depositor, does hereby sell, assign, transfer and set over to the said parties as joint tenants, and not as tenants in common, and to the survivor and survivors of them and to their successors, as a Committee, each and every bond, deposited hereunder, and every Depositor hereby agrees that the Committee shall be and hereby is vested with all the power and authority of owners of the bonds deposited hereunder, with full right, but without prejudice to the general authority and power hereinabove given, to transfer the same into its own name, as a Committee, or into the name of any other person or persons whom the Committee may select; to vote thereon at any meeting of bondholders or creditors; to use every such bond, as fully and to the same extent as the owner or holder thereof, including power to declare due the principal of any bond deposited hereunder, and to revoke any such declaration whenever made; to call or attend, and either in person or by proxy to vote at, any and all meetings of bondholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust or lease, in whole or in part; to apply for the determination of the validity thereof, or for removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust or lease or under any provision thereof; to purchase at such prices it shall see fit, or to pay, compromise or settle with the holders of any coupons, notes or other indebtedness of the St. Louis and San Francisco Company, or any Receivers' certificates or obligations issued or which may be issued or incurred by the Receivers thereof, and to acquire at such price and on such terms as it may see fit the consolidated mortgage bonds held by or under the control of the Atchison Joint Executive Reorganization Committee, and to apply for said purposes any moneys received from the assessments on the bonds, or which may otherwise be received or raised by the Committee; to borrow money for any of the purposes of this agreement, and to charge or pledge any deposited securities, property purchased or new securities to be issued, for the payment of any moneys borrowed, or indebtedness or liability incurred; to give all bonds of indemnity or other bonds, and to charge therewith the securities deposited hereunder or any part thereof, if the Committee shall so deem necessary or expedient in carrying out the purposes hereof; to institute or to become parties to any legal proceedings which could be instituted by any Depositor or any corporation, or any officer of any corporation whose bonds or other obligations (or any part thereof) are deposited hereunder, and to participate in any and all legal proceedings now existing; to apply for Receivers, or the removal of Receivers and the substitution of other Receivers, or for the termination of any Receivership and the delivery of any property to its owners; to settle and adjust any claims on the part of the Atchison, Topeka and Santa Fé Railroad Company, or the Receivers thereof, or of the Atchison, Topeka and Santa Fé Railway Company, or of the Atchison Joint Executive Reorganization Committee against the St. Louis and San Francisco Railway Company or the Receivers thereof; to enter into settlement of any litigation now or at any time



existing or threatened in whole or in part, with plenary power to enter into arrangements for decrees, or for facilitating or hastening the course of litigation, or in any way to promote the purposes of the Committee; to do whatever, in the judgment of the Committee, may be necessary to promote or to procure joint or separate sales of any property or franchises herein concerned, wherever situated; to adjourn the sale of any property or franchises, or of any portion or lot thereof at discretion; to bid, or to refrain from bidding, at any sale, either public or private, either in separate lots or as a whole, for any property or franchise or any part thereof, whether or not owned, controlled or covered by any deposited bond, including or excluding any particular rolling stock, or other property, real or personal, and at, before, or after, any such sale, to arrange and agree for the resale of any portion of the property which the Committee may decide to sell rather than to retain; to hold any property or franchises purchased by the Committee either in its name or in the name of persons or corporations by it chosen for the purposes of this agreement, and to apply any bond deposited hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; it being understood that the term property and franchises includes any and all railroads, railroad and other transportation lines, leaseholds, stock, or other interests in corporations, in which the St. Louis and San Francisco Company have any interest of any kind whatever, direct or indirect. The amount to be bid or paid by the Committee for any property or franchises shall be absolutely discretionary with it; and, in case of the sale to others of any property or franchise, the Committee may receive out of the proceeds of such sale or otherwise any dividend in any form accruing on any securities held by it.

THIRD.—The Committee may procure the organization of one or more new companies, or may adopt or use any existing or future companies, and may cause to be made such consolidations, leases, sales or other arrangements and may make such conveyances or transfers of any properties or securities acquired by the Committee and take such other steps as the Committee may deem proper for the purpose of creating the new securities provided for in the plan and carrying out all or any of the provisions thereof.

FOURTH.—The Committee may construe this agreement (including the plan of reorganization); and its construction thereof or action thereunder in good faith, shall be final and conclusive. It may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and it shall be the judge of such necessity. It shall be sole and final judge as to when and whether the assent of enough parties interested in the St. Louis and San Francisco Company, or either of them, shall have been obtained to warrant it in carrying the same or any part into effect, and it shall have power whenever it shall deem proper, to abandon or to alter, modify or depart from, the plan of reorganization, or any part thereof. It may at any time or times after any such partial abandonment, restore to the plan any abandoned part or parts thereof, and may seek to carry the same into effect as fully as if such part or parts had not been abandoned. It may also attempt to carry the plan into effect rather than abandon or modify the same, even though it be manifest that as carried out the plan must depart from the original plan or from some part thereof. But in the case of any intentional change or modification or departure from the plan, which, in the judgment of the Committee, shall materially affect the Depositors, a statement of such proposed change, modification or departure shall be filed with the Depositary, and notice of the fact of such filing shall be given as hereafter provided in Article Twelfth; and all holders of the outstanding certificates may, within two weeks after final publication, surrender their respective certificates therefor and withdraw the deposited bonds, or the proceeds thereof or substitutes therefor then under the control of the Committee, to the amount indicated in such receipts or certificates, upon payment of their ratable shares, as apportioned by the Committee, of the expenses

of the Committee, including the expenses of said Boston, Amsterdam and New York Committees; and every Depositor of securities not so surrendering and withdrawing within such two weeks after final publication shall be deemed to have assented to the proposed changes or modifications, and, whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modifications finally made by the Committee shall be part of this agreement; and all provisions and references concerning the plan shall apply to the plan so changed or modified. In case the Committee shall finally abandon the entire plan, the bonds deposited thereunder, or their proceeds, or any stock, bonds, securities, or claims representative thereof, then under the control of the Committee, shall, subject to the payment of any obligations incurred by the Committee under the terms hereof, be delivered to the several Depositors in amounts representing their respective interests, upon surrender of their respective receipts or certificates and payment of such actual expenses as shall have been incurred by the Committee and by the Amsterdam, Boston and New York Committees, and the Committee shall have power to determine and to apportion the ratable share of expense to be borne by such security. In such case the assessment moneys paid by the depositing bondholders, or any coupons, notes, receivers' certificates or other claims or property acquired therewith, or the proceeds thereof when received, shall, subject as aforesaid, be distributed or equitably adjusted among the respective holders of the receipts or certificates of deposit for consolidated bonds in proportion to the amount of the assessment moneys paid thereon respectively.

FIFTH.—The Committee may proceed under this agreement, or any part thereof, with or without foreclosure, and may exercise any power after foreclosure sale.

In case of any claim, lien or obligation not herein fully provided for, and affecting the St. Louis and San Francisco Company, or any property or franchises thereof, the Committee may from time to time (subject, however, to Article Sixth hereof) make such compromise in respect thereto or provision therefor as it may deem suitable, using therefor any securities not expressly required for settlement with Depositors or not expressly reserved for liens or obligations specified in the plan; but the total amount of new securities to be created, as set forth in the plan, shall not be thereby increased.

Any action contemplated in the plan or agreement to be performed on or after completion and reorganization may be taken by the Committee at any time when it shall deem the reorganization advanced sufficiently to justify such course, and the Committee may defer, as it may deem necessary, the performance of any provision of the plan or agreement, or may refer such performance to the new Company.

SIXTH.—The Committee may from time to time make contracts with any person, syndicate or corporation for the purpose of carrying this agreement into effect. The Committee may employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses by the Committee deemed reasonable for the purposes of this agreement. Its selection of the Mercantile Trust Company as Depositary is hereby ratified and confirmed. The Committee may prescribe the form of all securities and of all instruments at any time to be issued or entered into under this agreement. It may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder. It may, at public or private sale, or otherwise, dispose of any securities of the new company left in its hands because of any failure to make deposits hereunder. In so disposing of any such new securities, thus left on its hands, the Committee may use the same or the proceeds thereof for the purpose of carrying out the reorganization in such manner as it may deem expedient and advisable. But neither the Committee nor the new company shall dispose of any such securities left in its hands because of any failure to deposit any bonds or claims continuing as outstanding liens on the property controlled by the new company, nor of any such securities intended, under the plan, to provide for securities or claims on properties not embraced in the plan as carried out, although



the Committee may use, or may arrange to use (so far as necessary), any such remaining securities for the acquisition of any line or lines of railway which to them shall seem a satisfactory substitute for any property not embraced in the plan as carried out. At the time of the creation of the new securities, or as soon thereafter as may be, the Committee may take such action (either by creating lesser amounts of securities or otherwise) as it may deem necessary to guard against the issue of such particular securities in any manner or to any extent inconsistent with the purposes of the plan.

SEVENTH.—The action of a majority of the members of the Committee, expressed from time to time at a meeting, shall for all purposes constitute the action of the Committee, and have the same effect as if assented to by all. It may adopt its own rules of procedure. The Committee may by a vote of three-fourths of its members add to its number. Any vacancies in the Committee shall be filled by a like vote of three-fourths of its number, except that any successors to Siegmund Alsberg, J. Kennedy Tod and Isaac N. Seligman shall be appointed by the Amsterdam Committee, any successor to Samuel C. Eastman by the Boston Committee, and any successors to B. P. Cheney and Charles S. Gled by the trustees of the estate of the late B. P. Cheney. All title, rights and property vested in the Committee hereunder shall, from time to time, vest in the members of the Committee for the time being, without any further appointment, transfer or assignment whatsoever. In case of absence, any member may vote by proxy. Neither the Committee nor the Depositary assumes any personal responsibility for the execution of the plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof, the members of the Committee, however, undertaking in good faith to endeavor to execute the same. No member of the Committee, nor the Depositary, shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his or its own individual wilful malfeasance or neglect; and no member of the Committee shall in any case be personally liable for the act or omission of any other member, nor for the acts of the Depositary, nor shall the Depositary be personally liable for the acts of the Committee. Any member of the Committee may at any time resign by giving notice in writing to a majority of the remaining members, and the Committee may give full release and discharge to any such member, or to the personal representative of any deceased member. The Committee may act through sub-committees or agents and may delegate any authority, as well as discretion, to any such sub-committee or agent; its members shall be allowed a reasonable compensation for their services hereunder, and the members of the Boston Committee, the Amsterdam Committee and the New York Committee shall also be allowed reasonable compensation for their services, together with their expenses. Any present or future member of the Committee and any member of the Amsterdam, Boston or New York Committee, and any officer of the Depositary may be a Voting Trustee, and may be or become pecuniarily interested in any contracts, property or matters which this agreement concerns, including any syndicate agreement, whether or not mentioned in the plan. Any direction given by the Committee shall be full and sufficient authority for any action of the Depositary or any Trust Company or other Custodian, or for any sub-committee or agent.

EIGHTH.—The Committee may negotiate and agree with any and all companies or persons for obtaining or granting running powers, terminal facilities, exchanges of property, or any other conveniences which it may deem necessary or desirable to obtain or to grant, and make contracts therefor binding upon such new Company; and generally may ratify and make such purchases, contracts, stipulations or arrangements as will in its opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting the St. Louis and San Francisco system, or which the St. Louis and San Francisco Railway Company or any subordinate

company has contracted to acquire, or to prevent or avoid opposition to, or interference with, the successful execution hereof.

NINTH.—The accounts of the Committee shall be filed with the Board of Directors of the new company within one year after its organization shall have been completed, unless a longer time be granted by the said Board. The accounts, when audited and approved by such Board of Directors, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Committee shall be discharged. The expense of insurance and transmission of new securities to the various agencies of the Depositary and the usual stamp duties required by law in Holland on new securities shall be regarded as part of the expenses of reorganization. The acceptance of new securities by any Depositor shall estop such Depositor from questioning the conformity of such securities, as to character, or otherwise, with any provision of said plan, and the acceptance of new securities by a majority in amount of the Depositors shall so estop all Depositors.

TENTH.—The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby distinctly declared that it is intended to confer on the Committee, and each Depositor hereunder hereby confers on the Committee, in respect of all bonds deposited or to be deposited, and in all other respects, any and all powers necessary or expedient, or which the Committee may deem necessary or expedient in or towards carrying out or promoting the purposes of this agreement in any respect, even though any such power be apparently of a character not now contemplated; and the Committee may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any cause or reason, it may deem expedient. And it is further understood and agreed that the methods to be adopted for or towards carrying out this agreement shall be entirely discretionary with the Committee.

The bonds deposited under this agreement, and all bonds, Receivers' certificates, coupons and claims purchased or otherwise acquired under this agreement, shall remain in full force and effect for all purposes, and shall not be deemed satisfied, released or discharged by the delivery to the Depositors of new securities in respect of their deposits, and no legal right or lien shall be deemed released or waived, but said bonds and other claims, and any deficiency judgment obtained in respect of any of said deposited bonds, and any judgment upon any such claims, and all liens and equities, shall remain unimpaired, and may be enforced by the Committee or by the new Company or other assigns of the Committee until paid or satisfied in full or expressly released. Neither the Committee nor any bondholder or creditor of the St. Louis and San Francisco Company by executing this agreement or by becoming party thereto, releases, surrenders or waives in favor of any creditor or stockholder or other parties interested in such Company, any lien, right or claim, and all such liens, rights or claims shall vest unimpaired in the Committee and in the new Company, as its assigns; and any purchase or purchases by or on behalf of the Committee or the new Company, under any decree for the enforcement of any such lien, right or claim, shall vest the property purchased in the Committee or the new Company, free from all interest or claim on the part of such stockholders or other parties.

ELEVENTH.—No estimate, statement, explanation or suggestion contained in the foregoing plan or in any circular issued, or which hereafter may be issued, by the Depositary or by the Committee, is intended or is to be accepted as a representation or warranty, or as a binding condition of deposit thereunder, or of any subscription to the securities of the new Company therein offered for subscription; and no defect or error therein shall release any deposit thereunder or any subscription to the securities of the new Company offered for subscription, save in either case by consent of the Committee. Any moneys paid under or with reference to said plan or this agreement shall be paid over

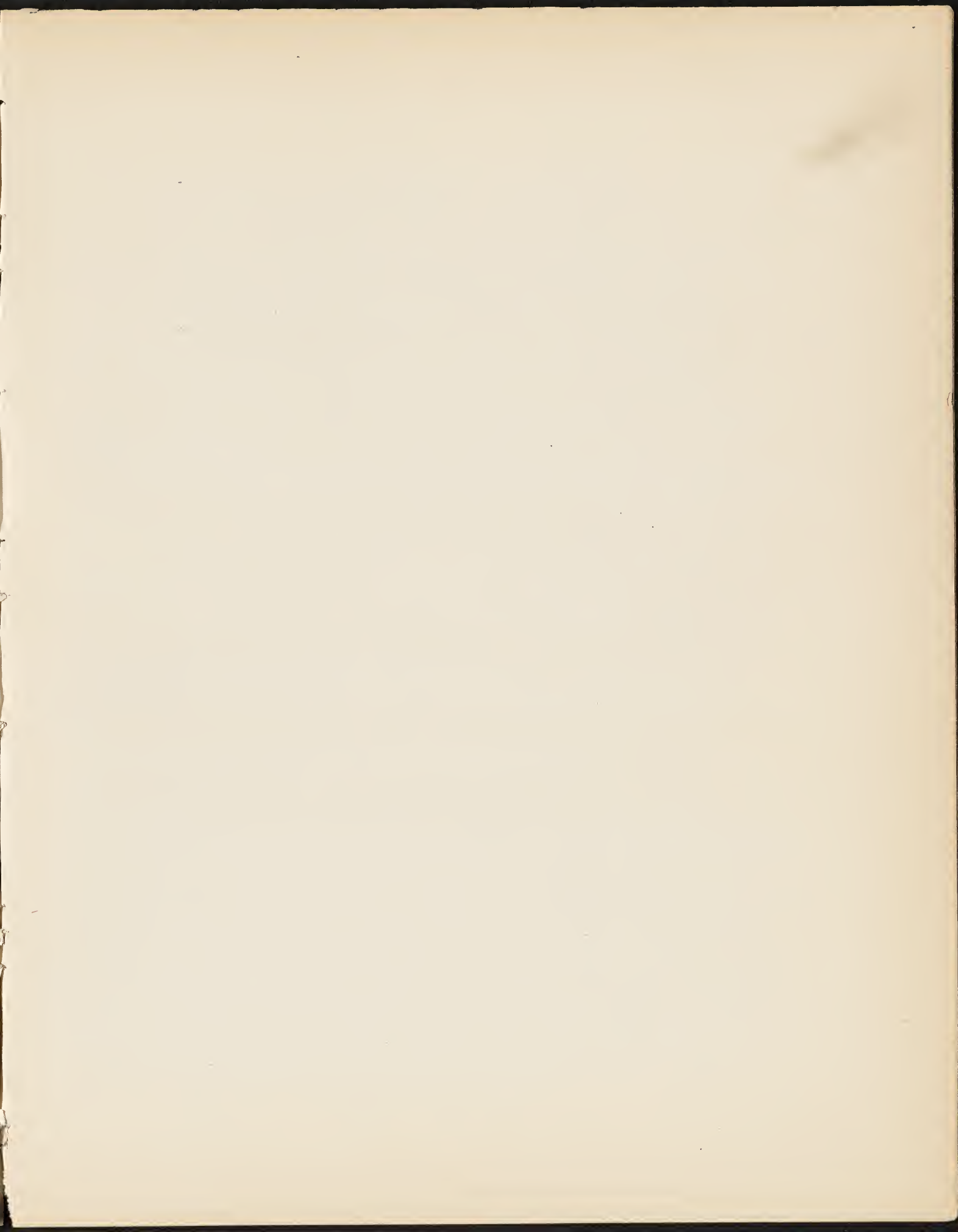


by the Depositary to the Committee, and shall be applicable for any of the purposes of the plan and agreement as may be most convenient, and as may from time to time be determined by the Committee, whose determination as to the propriety and purposes of such application shall be final, and nothing in said plan shall be understood as limiting or requiring the application of specific moneys to specific purposes. No liability in respect or in favor of any bonds, stocks, obligations, securities or debts not called for and accepted on deposit hereunder, nor in favor of any lease or contract, is assumed hereunder, or by or for any new company (notwithstanding any mention thereof, or estimate in respect thereto, or reservation of securities to provide therefor, in said plan), nor is any trust in their favor created or impressed upon any deposit or payment hereunder, or upon any securities to be issued under the plan. Any obligation in the nature of floating debt or otherwise against any company or property embraced in the plan, either as proposed or as carried out, or any securities held as collateral for any such obligation may be acquired or extinguished or held by the Committee at such times, in such manner and upon such terms as it may deem proper for the purpose of reorganization, but nothing contained in the plan or in this agreement is intended to constitute, nor shall it constitute, any liability or trust in favor or in respect of any such obligation.

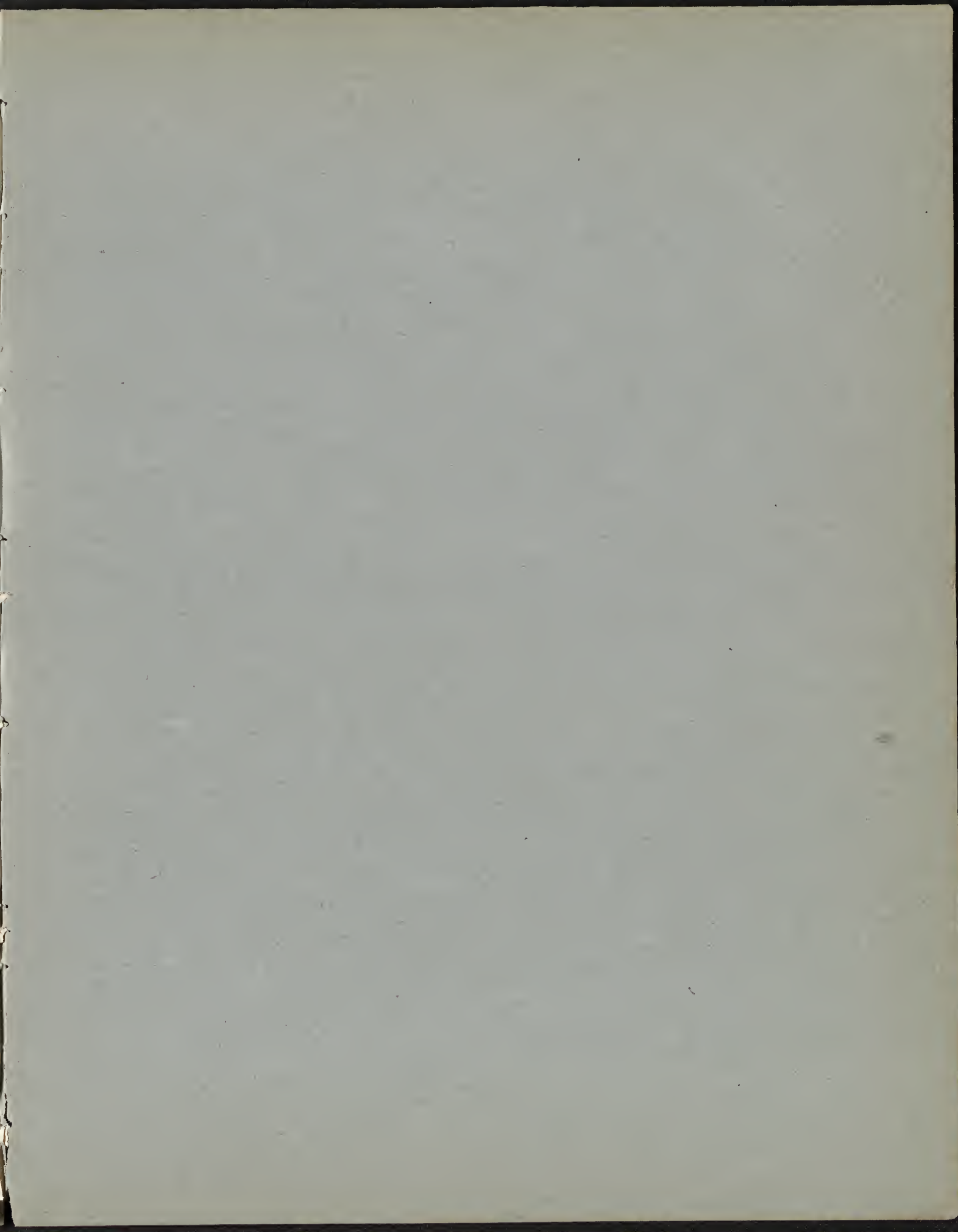
TWELFTH.—All calls for the surrender of certificates, and any other calls or notices required to be given hereunder, shall, except when otherwise provided, be inserted in the New York *Evening Post* and the New York *Tribune*, or in two other daily papers of general circulation published in the City of New York, and in two daily papers of general circulation published in the City of Amsterdam, Holland, and in the City of Boston, Massachusetts, twice in each week for two successive weeks. Any call or notice whatsoever, when so published by the Committee, shall be taken and considered as though personally served on all parties hereto, and upon all parties becoming bound hereby, as of the respective dates of insertion thereof, and such publication shall be the only notice required to be given under any provision of this agreement.

THIRTEENTH.—This agreement shall bind the Committee and their successors in office appointed in accordance herewith and the depositors hereunder, their and each of their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, a majority of the members of the Committee have hereunto signed their names and all other parties hereunto have deposited securities as above set forth.











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# PLAN OF REORGANIZATION

## OF THE

### TOLEDO, ANN ARBOR AND NORTH MICHIGAN RAILWAY CO.

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The bonded indebtedness of the road is as follows:

Grand Trunk Division,	\$1,260,000
North Michigan "	2,120,000
Mount Pleasant "	400,000
Cadillac "	1,260,000
Lake Michigan "	767,000
General Cons. 5's	1,343,000
Frankfort & S. E. "	235,000
Total	\$7,385,000

The present issue of Capital Stock amounts to,	\$6,500,000
It is proposed to form a new company or companies, which shall acquire the entire railroad and property of the T., A. A. & N. M. Ry. Co., or the equivalent thereof.	
It is proposed to issue the 4 per cent. 100 year coupon gold bonds of the reorganized company for an aggregate amount of	7,000,000
secured by a first mortgage upon the entire road, rolling stock and terminals.	
It is proposed to create an issue of preferred stock amounting to	4,000,000
And an issue of common stock amounting to	3,250,000

Dividends shall be paid upon the preferred stock to the exclusion of the common to the amount of 5 per cent. in any one year. Such dividends shall not be cumulative. All earnings applicable to dividends in excess of the amount so appropriated shall be applied to dividends upon the common stock.

Shares of common and preferred stock shall have equal voting power; but no additional mortgage debt shall be created nor shall there be any increase in the amount of the preferred stock, without the consent of two-thirds of both common and preferred stock.

It is proposed to give to the holders of the			
Grand Trunk	bonds 115 per cent. of the face of their	} and 30 per cent. of the face of	their present holdings in
	present holdings in new 4		
	per cent bonds at par		preferred stock at par
North Michigan	" 112	40	"
Mt. Pleasant	" 100	20	"
Cadillac	" 100	20	"
Lake Michigan	" 80	40	"
Consol 5's		130	"
Frankfort & S. E.	" 100	20	"

*these bonds were bought outright by Committee*

The above allotment of securities is for the principal of the bonds deposited, including all unpaid coupons.

The entire issue of common stock of the reorganized company, shall remain in the hands of the Committee until after the election of the first Board of Directors, and will then be disposed of as follows:

The holders of the present common stock will have the privilege of subscribing to one share of the common stock of the reorganized company for every two shares of the present stock held by them. The subscription price will be \$10 a share for the new common stock, and subscriptions therefor will be limited to a period of sixty days. The stock still undisposed of at the expiration of this period shall be at the disposition of the Committee.

Of the above mentioned issue of \$7,000,000 of 4 per cent. bonds there will be required

To take up Grand Trunk bonds	\$1,449,000
“ “ North Michigan “	2,374,400
“ “ Mt. Pleasant “	400,000
“ “ Cadillac “	1,260,000
“ “ Lake Michigan “	613,600
“ “ Frankfort & S.E. “	235,000
Remaining in the hands of the Committee	668,000
	<hr/> \$7,000,000

Of the above mentioned issue of \$4,000,000 of preferred stock there will be required for

Grand Trunk bonds	\$ 378,000
North Michigan “	848,000
Mt. Pleasant “	80,000
Cadillac “	252,000
Lake Michigan “	306,800
Consol 5's	1,745,900
Frankfort & S.E. “	47,000
In the hands of the Committee	342,300
	<hr/> \$4,000,000

The stock and bonds remaining in the hands of the Committee and the proceeds of the sale of the common stock may be used for the purchase of additional equipment, the improvement of the roadbed, the acquisition of terminals, the general expenses of the reorganization and for such other purposes as the Committee may deem expedient. The Committee will account to a Committee composed of the presidents of two New York banks or trust companies not interested in the reorganization.

Bonds of the Toledo, Ann Arbor and Grand Trunk and the Toledo, Ann Arbor and North Michigan Railway Companies; the holders of which desire to participate in the foregoing plan of reorganization, are to be deposited with the Metropolitan Trust Company of New York; bonds of the other issues above mentioned are to be deposited with the Central Trust Company of New York; such deposits must be made on or before December 1st, 1894.

The following agreement must be signed at the time of deposits. The receipts of the trust Companies for bonds so deposited will be listed on the New York Stock Exchange as soon as practicable.



**Agreement** between THE REORGANIZATION COMMITTEE and the BONDHOLDERS of the TOLEDO, ANN ARBOR AND NORTH MICHIGAN RAILWAY COMPANY.

**This Agreement**, made the twenty-fifth day of October, 1894, between AMOS F. ENO, GEORGE W. QUINTARD, J. EDWARD SIMMONS, E. K. WRIGHT, ROBERT M. GALLAWAY, R. C. MARTIN and CYRUS J. LAWRENCE, (hereinafter called "*The Committee*") parties of the first part, and

All holders of bonds of the Toledo, Ann Arbor and North Michigan Railway Company (hereinafter called "*The Railway Company*") or of bonds of other corporations which have been consolidated with or merged in the said Railway Company, or the property of which has been acquired by it, who have become or shall become parties to this agreement, either by signature or deposit, (hereinafter called "*The Depositors*," ) parties of the second part.

Witnesseth, that whereas, the foregoing plan has been proposed for the reorganization of the affairs of the Toledo, Ann Arbor and North Michigan Railway Company, and the purchase of all its property by a new corporation which is to issue its securities as consideration for the transfer of title. Now, therefore, each and every person who shall become a party hereto through the signature of this agreement or the deposit with the Central Trust Company of New York, or the Metropolitan Trust Company of New York, (hereinafter called "*The Depositaries*," ) in accordance with the provisions of this agreement, of any bonds mentioned in the foregoing plan of reorganization (being bonds of the said Railway Company, or of any companies which have been merged in it, or the property of which it has acquired) hereby promises and agrees, each for himself and not for another, to and with every other party hereto and depositor hereunder, and with the Committee and each and every other party and the Committee do reciprocally promise and agree as follows :

*Article First.* A printed copy of this agreement certified by a majority of the Committee, and lodged with the Depositaries, shall be held and taken as an original agreement, but any copy or copies thereof may be signed by any of the above recited parties, and all of the copies so signed shall be deemed and taken as constituting one original agreement.

The plan of reorganization, as above set forth, is and shall be taken as a part of this agreement, and the said plan and this agreement shall be read as a part of one and the same paper.

The term "Depositor," whenever used herein, is intended and shall be construed to include not only persons acting in their own right, but also trustees, guardians, committees, agents and all other persons acting in a representative or fiduciary capacity, and those represented or claiming under them, and partnerships, associations, joint stock companies and corporations. A deposit of bonds under this agreement shall constitute such depositor a party hereto and entitle him to the benefits hereof as fully as if such depositor had signed this agreement.

*Article Second.* The depositors hereunder, each for himself, request and authorize the Committee to carry into practical operation and fully execute this agreement, including the foregoing plan of reorganization, substantially as above set forth, with such additions, exceptions and modifications as the Committee, acting in the interests of the Depositors, shall deem to be for their best interests, such modifications, however, to be subject to the conditions and provisions hereinafter mentioned. In consideration of the assent of the members of the Committee to this request, and of their assumption of the trust hereby created or proposed, and the contemplated performance and action of the Committee hereunder, each and every Depositor does hereby appoint and constitute the Committee his Trustee and Agent to carry out and fully effectuate this agreement and the said plan of reorganization, and does hereby sell, assign, transfer and set over to the Committee, as joint tenants and not as tenants in common, and to the survivor and survivors of them, and to their successors in trust, for the purpose of this agreement, each and every bond deposited by him, as aforesaid, upon the following terms and conditions.

I. Each depositor, for himself, and not for any other depositor, to the extent of his interest in any and all deposits hereunder, hereby gives to, and vests in, the Committee all



the power and authority of an owner of the bonds deposited hereunder, and the Committee shall have general power and authority in its discretion to do any and all acts and things that may be requisite or convenient, for the purpose of protecting and enforcing the interests of the depositors and carrying into effect the foregoing plan of reorganization and the details thereof. It shall have power to pledge the bonds deposited hereunder to the extent of \$10 on each \$1,000 of bonds deposited, for the purpose of obtaining funds to defray the necessary and reasonable expenses and compensation of the Committee, except the expenses incidental to and those incurred subsequent to the foreclosure of the several mortgages now existing upon the property of the Toledo, Ann Arbor and North Michigan Railway Company.

The Committee may, if they deem it expedient, procure the above mentioned plan of reorganization to be underwritten, and may use any deposited funds and securities for that purpose.

II. The Committee shall have power to supply any defect or omission in the details of the plan of reorganization, and may modify the same in their discretion, provided any such modification shall not result in changing the amount of bonds or stock to be issued by the reorganized company; nor in changing the ratio between the number of bonds of the reorganized company to which any one of the classes of existing bonds, mentioned in said plan, would become entitled thereunder, as compared with the total number of new bonds to be issued by the reorganized company; nor in changing the ratio between the number of shares of preferred stock to which any one class of said existing bonds would become entitled under said plan, as compared with the total number of shares of preferred stock to be issued by the reorganized company.

III. The Committee may adopt their own rules of procedure and may fill vacancies in and add to their number. Any persons so becoming members of the Committee hereafter shall be deemed to be parties to this agreement, and trustees of the trusts hereby created, and vested with all power and authority as if they were originally mentioned as parties hereto. Any member, by power of attorney, may authorize any other member to vote for him or otherwise act in his behalf as a member of the Committee. The act of a majority of the committee at any meeting duly called, shall be considered the act of the committee, but no member of the committee shall be individually liable, nor liable for the act of any other member, nor for anything but his own willful misconduct, nor shall the committee or any of its members be personally responsible for the execution of the plan of reorganization, or of this agreement. Any member of the Committee may at any time resign by giving notice in writing to a majority of the remaining members, and such of the members as continue to act may release and discharge any retiring member. The Committee may act through subcommittees and may delegate any authority, discretionary or otherwise, to any subcommittee. The members of the Committee shall be paid all their expenses incurred and a reasonable compensation for their services hereunder.

IV. The Committee may pledge or sell, at public or private sale, or otherwise dispose of, any securities of the reorganized company left in their hands after the depositors shall have received all the securities to which they are entitled under the plan of reorganization. The Committee may use the securities so remaining in their hands or the proceeds thereof, or the proceeds of the sales of common stock, in the acquisition of property necessary or convenient for the operation or improvement of said railway company or any line leased or operated by it, in the construction of any line of railway which the Committee may deem it necessary to build in order to carry out the said plan of reorganization; in the settlement of any claim or claims against the said railway company or its property, in defraying the expenses of the Committee or of the reorganization, or in such other manner as the Committee may deem expedient and advisable for the purpose of carrying out the reorganization.

After the reorganized company shall have been formed and the new securities shall have been issued, a meeting of the Stockholders shall be called and a Board of Directors elected. The Committee shall then, within six (6) months after the appointment of the Board of Directors, file their accounts with the Board and shall transfer and deliver over to the Board all the securities of the reorganized company not hereinabove appropriated or otherwise used by the Committee in accordance with the terms of this agreement. The accounts of the Committee when audited and approved by such Board of Directors and the Presidents of two New York Banks or Trust Companies not connected with the reorganization shall be final, binding and conclusive upon all parties having any interest hereunder.

V. All bonds of the Toledo, Ann Arbor and Grand Trunk or the Toledo, Ann Arbor and North Michigan Railway Companies deposited with the Metropolitan Trust Company, under this agreement shall, in case the foregoing plan of reorganization be hereafter abandoned by the Committee be considered as deposited subject to the terms and conditions of a certain agreement dated August 15th, 1894, between R. C. Martin, Cyrus J. Lawrence, Simon Borg, Henry K. McHarg and James H. Oliphant and the holders of the first mortgage 6 per cent bonds of the said Toledo, Ann Arbor and Grand Trunk and Toledo, Ann Arbor and North Michigan Railway Companies; and the signature of this agreement by a depositor of any of the last mentioned classes of bonds shall be deemed to constitute a full consent to the terms of the agreement of August 15th, aforesaid, in the event that the foregoing plan be abandoned by the Committee.

VI. The enumeration of specific powers hereby conferred shall not be construed to limit or restrict general powers herein conferred or intended so to be.

In witness whereof, we have hereunto set our hands the day and year first above mentioned.

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BONDHOLDERS' AGREEMENT

AND

PLAN OF RE-ORGANIZATION

OF THE

TOLEDO, ANN ARBOR & NORTH MICH.  
IGAN RAILWAY COMPANY.

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# Toledo, St. Louis & Kansas City Railroad Company.

## BONDHOLDERS' AGREEMENT.

Default having been made by the Toledo, St. Louis and Kansas City Railroad Company in the payment of the interest which became due June 1st, 1893, on the bonds of said Company, secured by its mortgage or deed of trust dated June 19, 1886,

*Now, therefore,* we, the undersigned, holders of said bonds to the amounts set opposite to our names respectively hereunto subscribed, in consideration of the advantages which will result to us respectively from concert of action in enforcing said security for the payment of said bonds, and of other good causes and considerations, do hereby, each for himself, and not the one for the others, or any of the others, agree with each other and with the Committee hereinafter mentioned, as follows:

**First.** We will act together and in concert in the endeavor to enforce the security afforded by said mortgage or deed of trust for the payment of the principal and interest of said bonds held by us respectively, and whatever may be done under this agreement shall, subject to the stipulations herein contained, be for our equal benefit, according to the amount of said bonds held by us respectively.

In order to facilitate our proceedings under this agreement, John C. Havemeyer, Herman O. Armour, James M. Hartshorne, Otto T. Bannard and Morton S. Paton are hereby appointed a Committee in our behalf for the purposes and with the powers hereinafter set forth. Said Committee may from time to time add to its members to any extent deemed advisable by a majority of the members thereof; and, in case a vacancy shall at any time occur in said Committee by death, resignation or otherwise, such vacancy may be filled by a majority of the other members of said Committee, and such successors or additional members shall have and exercise all power and authority under this agreement to the same extent, in the same manner and with the same effect as if they had been named herein as members of said Committee. Said Committee is hereby authorized and empowered, as our attorneys and in our names or otherwise, to take such proceedings, give such directions, execute such papers, and do such acts under said mortgage or deed of trust or otherwise, as said Committee may consider judicious and proper in order to enforce said security and the payment of the principal and interest of said bonds held by us respectively, or so much thereof as may be collectible, and especially, and without prejudice to the general authority hereinbefore given, to institute actions at law or in equity, to attend all bondholders' meetings, and vote in our names and on our bonds on all questions that may come up at such meetings under the provisions of the deed of trust or otherwise, to remove Trustees and appoint successors as provided in said deed of trust, and to declare due the principal of said issue of bonds. And we hereby give and grant unto said Committee full power and authority to do and perform every act and thing requisite to be done in and





about the premises as fully, to all intents and purposes, as we might or could do if personally present, hereby ratifying and confirming all that said Committee shall lawfully do, or cause to be done, by virtue hereof.

**Second.** In case of a sale of the mortgaged premises under said mortgage or deed of trust, said Committee is hereby authorized and empowered to purchase the same for our account and benefit, according to the amount of said bonds held by us respectively, at such price (not, however, exceeding the aggregate amount of the principal and interest at the time being due or unpaid upon all of the bonds secured by said mortgage or deed of trust, together with all expenses connected with the enforcement of the provisions of said mortgage or deed of trust) as said Committee may consider expedient, and for such purpose to incur such expenses of foreclosure as said Committee may consider judicious, to use said bonds and coupons held by us respectively for the purpose of paying for the mortgaged premises, and to make any arrangement that may be proper to accomplish such purpose that shall not involve the compulsory assessment of the subscribing bondholders.

In order that said bonds held by us respectively and the coupons belonging thereto may be had by said Committee to enable it to carry out the general plan of this agreement, said bonds and coupons shall, within thirty days after written request from said Committee, mailed to our respective post-office addresses as appended to our signatures hereto, be deposited by us respectively in the Continental Trust Company of the City of New York, to be held by it under the control of said Committee, for the purpose of enabling said Committee to carry into effect this agreement; but at the time of such deposit transferable certificates for such bonds and coupons, showing our right and title thereto, and that they are deposited under and subject to this agreement (which certificates shall be so engraved and in such form as to comply with the requirements of the New York Stock Exchange in that behalf), shall be delivered to us respectively, and one of such certificates shall be given for each of said bonds, or for any number of such bonds held by us as we may respectively require.

**Third.** If said Committee shall purchase the mortgaged premises, as hereinbefore authorized, the same may be conveyed to them, or such persons as said Committee may designate; and such purchasers may take possession of the same for the account and benefit of ourselves respectively, or of our respective representatives and assigns, according to the amount of said bonds then held by us or them respectively. Said Committee may, at any time, adopt a plan of reorganization, and shall thereupon call a general meeting of the subscribers hereto, their representatives or assigns, for the purpose of acting thereon. If such or other plan of reorganization be approved at any such meeting by a majority in interest of such of us or them as shall attend such meeting or be represented at the same by proxy, the plan so adopted shall be binding upon all the subscribers hereto, their representatives or assigns, unless, within thirty days after the date of the meeting at which such plan of reorganization may have been adopted, such subscriber who may desire not to agree to said plan of reorganization shall surrender the certificate or certificates issued for his bonds, and pay a proportionate part of the expenses theretofore incurred by said Committee hereunder, in which case such subscriber may withdraw from this agreement, and shall no longer be bound thereby.

**Fourth.** For the purpose of meeting the expenses of said Committee and carrying into effect the provisions of this agreement, said Committee is authorized to borrow not more than five dollars upon the pledge of each bond which shall be deposited with it; and at the settlement under any sale of the mortgaged premises to be made between said Committee and the subscribers, their representatives or assigns, or on the earlier termination, for any reason, of this agreement, the amount so borrowed by said Committee, with such interest as said Committee may have paid thereon, shall be paid by each of the parties interested according to the amount of the bonds owned or held by him, or shall be deducted from the amount due and payable to him.

**Fifth.** If, during the continuance of this agreement, an opportunity shall arise to make a sale of our respective bonds and coupons at not less than the par value of said





bonds and coupons, said Committee is authorized to make such sale; and if, further, an opportunity shall arise to make such sale on other terms or to effect any other arrangement or settlement of our respective claims upon said bonds, upon terms which said Committee shall consider advisable, said Committee shall call a general meeting of the subscribing bondholders and shall submit the same to such meeting; and thereupon, if two-thirds in amount of the subscribing bondholders shall approve the same, said Committee are then authorized, empowered and instructed to effect the same, and to do all things which may be necessary to complete said sale, arrangement or settlement, and such sale, arrangement or settlement shall be binding upon all the subscribers hereto, their representatives and assigns.

**Sixth.** If, during the continuance of this agreement, any question not herein provided for should arise in relation to any matter growing out of the duties hereby devolved upon said Committee, or otherwise howsoever, in connection with the subject matter of this agreement, it shall also be determined by a vote of a majority in interest, present or represented, at a general meeting of the parties in interest under this agreement, and such determination shall be binding as well upon said Committee as upon all of the subscribers hereto, and their representatives and assigns; and for the purpose of providing funds for the purchase of the mortgaged premises, or other special expenses, the amount which said Committee may borrow upon the security of said bonds may be increased by a like vote at a general meeting of the subscribers, their representatives or assigns.

**Seventh.** Every general meeting of the subscribing bondholders, and of their representatives or assigns, for any purposes incident to the provisions of this agreement, may be called by the Chairman, or by a majority of the members of said Committee, and notice of every such meeting shall be given by depositing in the New York City Post Office, postage prepaid, at least five days before the date of the proposed meeting, a written or printed notice, stating the time and place of such meeting, addressed to each of us at the respective addresses set opposite our respective signatures hereto, or addressed to our respective representatives or assigns (provided they shall respectively have furnished their addresses to said Committee in writing at least ten days before such notice of meeting is mailed), or, in case no address is thus specified, such notice shall be addressed to the General Post Office, in the City of New York; and, also, an advertisement of said meeting shall be inserted, at least once in two or more daily newspapers published in the City of New York, at least five days before the date thereof. In the determination of any question arising at any such meeting, the votes of a majority in interest of such of the subscribers hereto, or their representatives or assigns, as shall attend at such meeting, or be represented at the same by proxy, shall prevail, unless a greater vote is otherwise hereinabove specifically required.

**Eighth.** When, in the judgment of the Committee, this agreement has been signed by the holders of said bonds to a satisfactory amount, the Committee will make announcement thereof, and thereupon this agreement shall become effective; but no subscriber hereto shall be deemed to have any rights whatever under this agreement unless he shall deposit his bonds when and as required by said Committee.

**Ninth.** Said Committee is not to be under any obligation, express or implied, to any bondholder who shall not subscribe this agreement and deposit his bonds if so required; nor shall any bondholder not so signing and depositing his bonds have any rights or claims whatsoever under or by virtue of this agreement; but all of the benefits and advantages of the same shall be confined to the persons who are subscribers hereto, and who shall deposit their bonds with such Trust Company when required.

The time within which holders of said bonds may sign this agreement shall terminate at such time as said Committee may decide; but said Committee may extend such time, in its discretion, and may permit any holder of said bonds, although such time has expired, to sign this agreement on the deposit of his bonds, and may, in that event, impose such terms on any such holder of said bonds as said Committee may determine. But no right in law or in equity, nor any privilege or interest of any sort or description, is conferred upon













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Toledo, St. Louis & Kansas City  
Railroad Company.

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**BONDHOLDERS' AGREEMENT.**

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*Dated August 4, 1893.*

# ST. JOSEPH AND GRAND ISLAND.

## REORGANIZATION.

TO THE HOLDERS OF CERTIFICATES ISSUED BY THE CENTRAL TRUST COMPANY OF  
NEW YORK FOR DEPOSITED FIRST MORTGAGE BONDS OF THE ST. JOSEPH  
AND GRAND ISLAND RAILROAD COMPANY.

In the exercise of authority conferred by the provisions of an agreement dated June 1, 1894, entered into between yourselves and a committee acting in your behalf, a plan of reorganization has been prepared by the committee. The plan is herewith submitted for your examination, prior to a meeting—a formal notice of which is enclosed—at which action is to be taken on such plan.

Your committee believe, owing to the peculiar conditions attending the situation, that the plan proposed, while in terms apparently drastic, will, upon careful study, meet with your final approval.

The chief causes leading to the extraordinary decrease in revenue have been: First, an almost total failure of the corn crop along the line of the road during 1894 and 1895; second, the universal depression of trade, and, third, the inability to operate the road as an independent property.

It was with a view of meeting a possible recurrence of similar conditions and matters incident thereto that your committee have been obliged to resort to what at first sight might seem to be an extreme measure.

It is confidently believed, however, that with normal trade and agricultural conditions the new company will much more than earn its fixed charges, while on the other hand good crops and prosperous times may supply dividends, so that the adjustment of the present obligations of the company will enable the holders of the securities of the new company to secure to themselves all of the net revenue that will arise from the operations of the company. The plan is therefore submitted with confidence that your approval will follow.

In contemplation of the eventual purchase of the property by the committee under the agreement above referred to, it is proposed to submit the plan of reorganization (with an agreement to perfect the same) to all classes of the security-holders of the St. Joseph & Grand Island Railroad Company, and after the plan herewith submitted to you shall have been ratified, a general notice to that effect will be given, in order that all classes of security-holders desirous of participating in the reorganization may do so.

With this preliminary statement the committee invite your cordial co-operation and ask your attendance at the meeting to be called for the 19th day of May, 1896, at 2 o'clock P. M., at the office of the Central Trust Company of New York, 3d floor, Room A, 54 Wall Street, N. Y. City.

Dated New York City, April 17, 1896.

WILLIAM STRAUSS,  
*Counsel.*

FREDERIC P. OLCOTT, *Chairman.*  
HENRY BUDGE,  
WILLIAM L. BULL,  
GORDON ABBOTT,  
*Committee.*  
J. N. WALLACE,  
*Secretary.*

During the summer of 1895, owing to the death of Mr. Bernhard Mainzer, a member of the committee as originally constituted, Mr. Budge was appointed a member of said committee.



# ST. JOSEPH AND GRAND ISLAND RAILROAD COMPANY.

252 MILES.

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## REORGANIZATION PLAN.

*Approved and Adopted, May 19, 1896.*

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### PRESENT SECURITIES.

\$7,000,000 First Mortgage Six per cent. Bonds.  
1,680,000 Second Mortgage Income Bonds.  
4,600,000 Stock.

### ISSUE OF NEW SECURITIES.

\$4,000,000 First Mortgage Gold Bonds, bearing interest at the rate of 2 per cent. per annum for 2 years; 3 per cent. for 3 years, and 4 per cent. thereafter. First Coupon payable July 1, 1897. Bonds to run for 50 years.

Provision to be made to increase the First Mortgage up to \$5,000,000. The increase to be devoted to the acquisition or construction of new mileage at not exceeding \$6,000 in bonds per mile.

\$5,500,000 First Preferred Five per cent. (non-cumulative) Stock.  
No mortgage other than that above described shall be put ahead of the First Preferred Stock during the continuance of the voting trust hereafter mentioned, nor thereafter, without the consent of a majority in value of the First Preferred Stock.

\$3,500,000 Second Preferred Four per cent. (non-cumulative) Stock, with provision and privilege of increasing to \$5,000,000, for acquisition or construction of new mileage at the rate of not exceeding \$9,000 per mile in addition to bonds.

\$4,600,000 Common Stock.

It is proposed to create a voting trust, retaining control for the benefit of the First Preferred Stock for 5 years, unless the First Preferred Stock pays full dividends for 3 consecutive years, after which the said Trust shall retain control for the benefit of the First and Second Preferred Stocks for 3 years then next ensuing, after which all stocks shall be entitled to a full and equal vote.

The voting trust shall consist of three Trustees, and in their selection recognition and representation will be given to London, Boston and New York.

TO HOLDERS OF CERTIFICATES OF DEPOSIT ISSUED BY  
THE CENTRAL TRUST COMPANY OF NEW YORK  
FOR THE FIRST MORTGAGE BONDS OF THE  
ST. JOSEPH & GRAND ISLAND RAIL-  
ROAD COMPANY.

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In pursuance of the provisions of an agreement dated June 1, 1894, entered into between holders of the certificates of deposit issued by the Central Trust Company of New York, and the Committee acting on behalf of the said certificate holders, a plan of reorganization has been prepared. A meeting of the holders of such certificates is hereby called and will be held at the Central Trust Company of New York, third floor, Room A, 54 Wall Street, New York City, on the 19th day of May, 1896, at 2 P. M., for the purpose of acting on such plan.

A copy of the plan, together with a proxy for holders who may be unable to attend said meeting, is herewith enclosed.

Dated, New York, April 17, 1896.

WILLIAM STRAUSS,  
*Counsel.*

J. N. WALLACE,  
*Secretary.*

FREDERIC P. OLCOTT,  
*Chairman.*

HENRY BUDGE,  
WILLIAM L. BULL,  
GORDON ABBOTT,

*Committee.*





# Know all Men by these Presents,

That I .....  
of .....  
do hereby constitute Frederic P. Olcott, Henry Budge, William L. Bull and Gordon Abbott, or any two of them, my Attorneys and Agents, for me and in my name, place and stead, to vote as my proxy at a meeting of the holders of Certificates of Deposit issued by the Central Trust Company of New York, for the First Mortgage Bonds of the St. Joseph and Grand Island Railroad Company, which meeting is to be held at the Central Trust Company of New York, No. 54 Wall Street, New York City, third floor, Room A, on the nineteenth day of May, 1896, at 2 P. M., for the purpose of acting upon a plan of reorganization and matters incidental thereto pursuant to the provisions of an agreement dated June 1, 1894, between said holders and a committee acting in their behalf; hereby empowering them, or any two of them, at said meeting, and at each and every adjournment thereof, to vote as my said proxy according to the number of votes that I should be entitled to vote if then personally present.

**In Witness Whereof**, I have hereunto set my hand and seal this .....  
day of ..... 1896.

*Sealed and delivered in the presence of*



## The Assessments are

6 per cent. on Second Mortgage Inc. Bonds, for which 12 per cent. of First Pref'd Stock is given.

3 per cent. on Common Stock, for which 6 per cent. First Preferred Stock is given.

Fixed Annual Charges at present, - - - - -	\$420,000
Fixed Annual Charges after reorganization :	
First 2 years (including charge on \$500,000 Reserved Bonds), - -	80,000
Following 3 years, - - - - -	120,000
Fixed Annual Charges after 5 years, - - - - -	160,000
Charges after 5 years (including 5 per cent. dividend on \$5,500,000	
First Preferred Stock, \$275,000), - - - - -	435,000

## Provisions for Cash Requirements and Expenditures.

The following items of estimated cash receipts and expenditures are submitted after a careful examination of conditions surrounding the property :

### ESTIMATED RECEIPTS.

Assessments from \$1,680,000 Second Mort. Inc. Bonds, 6 per cent., - -	\$100,800
"    "    \$4,600,000 Stock, 3 per cent., - - - -	138,000
Amount of Cash in Receiver's hands May 1, 1896, about - - - -	115,000
Amount of unadjusted claims on Receiver's Account, about - - - -	40,000
Total, - - - - -	<u>\$393,800</u>

### ESTIMATED EXPENDITURES.

For improvements and betterments immediately required as reported by the	
General Manager of the road, - - - - -	\$175,000
Reorganization expenses, including commission to underwriting syndicate ;	
expenses of organizing new Company and issuing its securities, and	
for general expenditures covering contingencies (any unexpended	
amount to go to new organization), about - - - - -	175,000
Leaving an estimated cash balance of about (to be used for purposes of new	
Company) - - - - -	43,800
	<u>\$393,800</u>



## New First Mortgage 50-Year Gold Bonds, 2, 3 and 4 Per Cent.

TO BE USED AS FOLLOWS :

50 per cent. to \$7,000,000 existing First Mortgage Bonds,	-	-	-	-	-	\$3,500,000
Reserve, for use of New Company (but not more than \$100,000 to be used in any one year and with consent of voting Trustees),						500,000
						<u>\$4,000,000</u>

## New First Preferred 5 Per Cent. (Non-Cumulative) Stock,

TO BE USED AS FOLLOWS :

70 per cent. to \$7,000,000 First Mortgage Bonds,	-	-	-	-	-	-	\$4,900,000
12 per cent. to 1,680,000 Second Mort. Inc. Bonds for 6 per cent. assessment,	-	-					201,600
6 per cent. to 4,600,000 Common Stock for 3 per cent. assessment,	-	-	-				276,000
							<u>\$5,377,600</u>
Reserved for purposes of the Reorganization, any balance to go to the New Company,	-	-	-	-	-	-	122,400
							<u>\$5,500,000</u>

## New Second Preferred 4 Per Cent. (Non-Cumulative) Stock,

TO BE USED AS FOLLOWS :

100 per cent. to \$1,680,000 Second Mortgage Bonds,	-	-	-	-	-	-	\$1,680,000
25 per cent. to 7,000,000 First Mortgage Bonds, for unpaid Coupons,	-	-	-				1,750,000
							<u>\$3,430,000</u>
Reserved for purposes of the Reorganization, any balance to go to the New Company,	-	-	-	-	-	-	70,000
							<u>\$3,500,000</u>

## New Common Stock,

TO BE USED AS FOLLOWS :

100 per cent. to \$4,600,000 Common Stock,	-	-	-	-	-	-	-	\$4,600,000
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## The Basis of Exchange

IS AS FOLLOWS :

	New 1st Mortgage Bonds.	New 1st Preferred 5% Stock.	New 2d Preferred 4% Stock.	New Common Stock.
1st Mortgage Bonds,	50%	70%	25%	
2d Mortgage Bonds } on payment of assessment {		12%	100%	
Common Stock, } as stated, - - {		6%		100%

# ST. JOSEPH AND GRAND ISLAND:

## REORGANIZATION.

TO THE HOLDERS OF CERTIFICATES ISSUED BY THE CENTRAL TRUST COMPANY OF  
NEW YORK FOR DEPOSITED FIRST MORTGAGE BONDS OF THE ST. JOSEPH  
& GRAND ISLAND RAILROAD COMPANY.

In the exercise of authority conferred by the provisions of an agreement dated June 1, 1894, entered into between yourselves and a committee acting in your behalf, a plan of reorganization has been prepared by the committee: the plan is herewith submitted for your examination, prior to a meeting—a formal notice of which is enclosed—at which action is to be taken on such plan.

Your committee believe, owing to the peculiar conditions attending the situation, that the plan proposed, while in terms apparently drastic, will, upon careful study, meet with your final approval.

The chief causes leading to the extraordinary decrease in revenue have been: First, an almost total failure of the corn crop along the line of the road during 1894 and 1895; second, the universal depression of trade, and third, the inability to operate the road as an independent property.

It was with a view of meeting a possible recurrence of similar conditions and matters incident thereto, that your committee have been obliged to resort to what at first sight might seem to be an extreme measure.

It is confidently believed, however, that with normal trade and agricultural conditions the new company will much more than earn its fixed charges, while on the other hand good crops and prosperous times may supply dividends, so that the adjustment of the present obligations of the company, will enable the holders of the securities of the new company to secure to themselves all of the net revenue that will arise from the operations of the company. The plan is therefore submitted with confidence that your approval will follow.

In contemplation of the eventual purchase of the property by the committee under the agreement aboved referred to, it is proposed to submit the plan of reorganization (with an agreement to perfect the same) to all classes of the security-holders of the St. Joseph & Grand Island Railroad Company, and after the plan herewith submitted to you shall have been ratified, a general notice to that effect will be given in order that all classes of security-holders desirous of participating in the reorganization, may do so.

With this preliminary statement the committee invite your cordial co-operation and ask your attendance at the meeting to be called for the 19th day of May, 1896, at 2 o'clock P.M., at the office of the Central Trust Company of New York, 3d floor, Room A, 54 Wall St., N. Y. City.

Dated, New York City, April 17, 1896.

WILLIAM STRAUSS,  
*Counsel.*

FREDERIC P. OLCOTT, *Chairman.*  
HENRY BUDGE,  
WILLIAM L. BULL,  
GORDON ABBOTT,  
*Committee.*  
J. N. WALLACE,  
*Secretary.*

During the summer of 1895, owing to the death of Mr. Bernhard Mainzer, a member of the committee as originally constituted, Mr. Budge was appointed a member of said committee.

# ST. JOSEPH & GRAND ISLAND.

252 MILES.

## Reorganization Plan.

### PRESENT SECURITIES.

\$7,000,000 First Mortgage 6 per cent. Bonds.  
1,680,000 Second Mortgage Income Bonds.  
4,600,000 Stock.

### ISSUE OF NEW SECURITIES.

\$4,000,000 First Mortgage Gold Bonds, bearing interest at the rate of 2 per cent. per annum for 3 years; 3 per cent. for 5 years, and 4 per cent. thereafter. First Coupon payable July 1st, 1897. Bonds to run for 50 years.  
Provision to be made to increase the First Mortgage up to \$5,000,000. The increase to be devoted to the acquisition or construction of new mileage at not exceeding \$6,000 in bonds per mile.

\$5,000,000 First Preferred Five per cent. (non-cumulative) Stock.

\$3,500,000 Second Preferred 4 per cent. (non-cumulative) Stock, with provision and privilege of increasing to \$5,000,000, for acquisition or construction of new mileage at the rate of not exceeding \$9,000 per mile in addition to bonds.

\$5,000,000 Common Stock.

It is proposed to create a voting Trust, retaining control for the First Preferred Stock for 5 years, unless the First Preferred Stock pays full dividends for 3 consecutive years, after which the control shall rest with the First and Second Preferred Stocks, and shall so continue for 3 years thereafter, after which all stocks shall be entitled to a full and equal vote.



## The Assessments are

6 per cent. on Second Mortgage Inc. Bonds, for which 12 per cent. of First Pref'd Stock is given.

3 per cent. on Common Stock, for which 6 per cent. First Preferred Stock is given.

Fixed Annual Charges at present,	-	-	-	-	-	-	-	\$420,000
Fixed Annual Charges after reorganization :								
First 3 years (including charge on \$500,000 Reserved Bonds),	-	-						80,000
Following 5 years,	-	-	-	-	-	-	-	120,000
Fixed Annual Charges after 8 years,	-	-	-	-	-	-	-	160,000
Charges after 8 years (including 5 per cent. dividend on \$5,000,000 First Preferred Stock \$250,000),	-	-	-	-	-	-	-	410,000

### Provisions for Cash Requirements and Expenditures.

The following items of estimated cash receipts and expenditures are submitted after a careful examination of conditions surrounding the property :

## RECEIPTS.

Assessments from \$1,680,000 Second Mortg. Inc. Bonds, 6 per cent.,	-	-	\$100,800
“ “ \$4,600,000 Stock, 3 per cent.,	-	-	138,000
Amount of Cash in Receiver's hands May 1, about,	-	-	115,000
Amount of unadjusted claims on Receiver's Account, about,	-	-	40,000
Total,	-	-	<u>\$393,800</u>

## EXPENDITURES.

For improvements and betterments immediately required as reported by the General Manager of the road,	-	-	-	-	-	\$175,000
Reorganization expenses, including commission to underwriting syndicate ; expenses of organizing new Company and issuing its securities, and for general expenditures covering contingencies (any unexpended amount to go to new organization), about,	-	-	-	-	-	175,000
Amount of cash to treasury of new organization, about,	-	-	-	-	-	43,800
						<u>\$393,800</u>



## New First Mortgage 50 Year Gold Bonds, 2, 3 and 4 Per Cent.,

TO BE USED AS FOLLOWS :

50 per cent. to \$7,000,000 existing First Mortgage Bonds,	-	-	-	-	-	\$3,500,000
Reserve, for use of New Company (but not more than \$100,000 to be used in any one year),	-	-	-	-	-	500,000
						<u>\$4,000,000</u>

## New First Preferred 5 Per Cent. (Non-Cumulative) Stock,

TO BE USED AS FOLLOWS :

60 per cent. to \$7,000,000 First Mortgage Bonds,	-	-	-	-	-	\$4,200,000
12 per cent. to 1,680,000 Second Mort. Inc. Bonds for 6 per cent. assessment,	-	-	-	-	-	201,600
6 per cent. to 4,600,000 Common Stock for 3 per cent. assessment,	-	-	-	-	-	276,000
						<u>\$4,677,600</u>
Reserved for purposes of the Reorganization, any balance to go to the New Company,	-	-	-	-	-	322,400
						<u>\$5,000,000</u>

## New Second Preferred 4 Per Cent. (Non-cumulative) Stock,

TO BE USED AS FOLLOWS :

100 per cent. to \$1,680,000 Second Mortgage Bonds,	-	-	-	-	-	\$1,680,000
25 per cent. to 7,000,000 First Mortgage Bonds, for unpaid Coupons,	-	-	-	-	-	1,750,000
						<u>\$3,430,000</u>
Reserved for purposes of the Reorganization, any balance to go to the New Company,	-	-	-	-	-	70,000
						<u>\$3,500,000</u>

## New Common Stock,

TO BE USED AS FOLLOWS :

100 per cent. to \$4,600,000 Common Stock,	-	-	-	-	-	\$4,600,000
Reserved for purposes of the Reorganization, any balance to go to New Company,	-	-	-	-	-	400,000
						<u>\$5,000,000</u>

## The Basis of Exchange

IS AS FOLLOWS :

	New 1st Mortgage Bonds.	New 1st Preferred 5% Stock.	New 2d Preferred 4% Stock.	New Common Stock.
1st Mortgage Bonds,	50%	60%	25%	
2d Mortgage Bonds		12%	100%	
Common Stock,		6%		100%
<div> <div> <div>on payment of assessment {</div> <div>as stated, - {</div> </div> </div>				

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# The Wheeling and Lake Erie

RAILWAY COMPANY.

## Stockholders' Agreement.

*September 13, 1897.*

DICK BROS. & CO.,	} <i>Stockholders'</i> <i>Committee.</i>
BELL & CO.,	
CLARK, WARD & CO.,	
WEBB & PRALL,	
THOMPSON & MAIRS,	



**Agreement** made this 13th day of September, 1897, by and between all the owners of preferred or common stock of THE WHEELING AND LAKE ERIE RAILWAY COMPANY, a corporation organized under the laws of Ohio, who are subscribers hereto, or who may hereafter become parties or assent hereto, or who may deposit any of the shares of said stock with the Central Trust Company of New York as hereinafter provided, hereinafter called the "stockholders," parties of the first part, and Dick Brothers & Co., Bell & Co., Clark, Ward & Co., Webb & Prall and Thompson & Mairs, and their successors, hereinafter called the Committee, parties of the second part.

WHEREAS, The Wheeling and Lake Erie Railway Company has become insolvent, Receivers have been appointed and have taken possession of its railway and property, and are now operating the same, and it has, in the judgment of the stockholders, become necessary that steps should be taken for the protection of their interests; and

WHEREAS, it is believed that benefit will result to the stockholders through acting together and in concert for that purpose:

Now, in consideration of the premises and of other valuable considerations, it is agreed as follows:

FIRST.—The stockholders respectively hereby irrevocably constitute and appoint the Committee or a majority of



its members (each of the firms composing said Committee being for the purposes of this agreement regarded as one person, and acting through either one of its members) the true and lawful attorneys of the stockholders and each of them, with full and exclusive power and authority to act for and represent the stockholders and each of them with respect to all matters in any wise relating to said Railway Company, or to the stock held or owned by the stockholders, parties hereto, therein. Said Committee is hereby authorized, and it shall be its duty to do all acts and take all steps which in its judgment are necessary or expedient in the interest or for the protection of the stockholders, parties hereto.

SECOND.—The Committee shall do whatever in its judgment is advisable in the interest of the stockholders, looking to the preparation and carrying out of a complete plan for the reorganization of said WHEELING AND LAKE ERIE RAILWAY COMPANY, and the Committee may prepare, adopt, or approve any such plan, either in conjunction with or independently of the holders of any other class or classes of securities. Any plan of reorganization which shall be approved or adopted by the Committee shall be submitted to the stockholders in the manner following: A copy of such plan shall be filed with the Central Trust Company of New York. Notice of such filing shall be given by mailing such notice, with postage prepaid, to the addresses registered (if any such addresses be registered) by certificate holders with said Trust Company, and by publishing such notice twice each week for two successive weeks in at least two daily newspapers published in the City of New York. Such mailing and publication shall be considered to have the full effect of personal notice to all certificate holders. All certificate holders who shall not

express in writing their dissent from such plan and deliver such written dissent to said Trust Company within ten days from the date of last publication of such notice shall be considered to have assented to such plan. In case of dissent, the dissenting certificate holders shall be entitled to the return of the stock represented by their certificates upon the surrender of such certificates duly endorsed, and upon payment of their proportionate share of the expenses and other liabilities incurred by the Committee to the time of such withdrawal; but as to every certificate holder who shall not within such period of ten days withdraw the stock represented by his certificate, his assent to and approval of the said plan shall be conclusively and finally assumed, conferred and given, and shall be irrevocable. No dissenting certificate holder shall be entitled to demand the return or repayment of any sum of money theretofore paid by him to the Committee, nor shall he have any further rights with respect to any such sum of money or any part thereof.

THIRD.—For the purpose of preventing foreclosure, or for any other purposes which the Committee may deem necessary or advisable for the protection of the rights of the stockholders, the Committee may at any time before the adoption of a plan of reorganization, call upon the stockholders for the payment of any sum or sums of money not exceeding in the aggregate one per cent. upon the par value of the shares deposited by them respectively. The Committee shall also have full power and authority to borrow money upon, and for that purpose to pledge any or all of the shares deposited; and in case a part only of said shares are pledged, all the deposited shares shall be equally and alike holden for the amount so borrowed. The Committee shall have full power to use and apply the moneys

at any time in its hands to the payment of any interest which may be in default upon any of the mortgage bonds of the Company, or in dealing or settling with any of the creditors of the Company, or in paying or acquiring any claims whatsoever against the Company which the Committee may deem it advisable to settle, pay or acquire. The Committee may do all acts with respect to the shares of stock deposited hereunder which the stockholders might themselves do; but no stockholder shall become personally liable in any manner for or by reason of any act done or liability incurred by the Committee.

FOURTH.—Each stockholder shall, for the purposes of this agreement, deposit his shares and the certificates thereof with transfers thereof, in blank or other form satisfactory to the Committee, with the Central Trust Company of New York and the Committee shall arrange with said Central Trust Company to issue to the stockholders respectively its negotiable certificates in such form as the Committee may approve, setting forth that such shares have been so deposited. Upon the termination of this agreement, otherwise than by the adoption and carrying out of a plan of reorganization, the holders of the certificates of deposit shall, upon surrender thereof, and upon payment of their respective proportions of the expenses and liabilities of the Committee, be entitled to receive the number of shares represented by each certificate respectively.

FIFTH.—The Committee may adopt rules to govern its action; may act by a majority of its members, and may delegate any of its powers to any one or more of its members. It may add to its number or fill vacancies therein, and it may at any time terminate this agreement. It may

employ counsel, attorneys and other persons, and provide for their compensation. The members of the Committee shall be paid a reasonable compensation for their services, which the Committee shall fix.

SIXTH.—The Committee may fix and alter the time within which stockholders may become parties to this agreement, and may impose penalties with respect thereto; and it is expressly understood that the Committee will not act for the benefit of any stockholder except those who are parties to this agreement.

SEVENTH.—The Committee is authorized to construe this agreement, and its construction hereof shall be final. It may supply defects and omissions herein, whether of form or substance. It is the intention of this agreement that the Committee shall have all powers, which in its judgment are necessary or advisable, of whatsoever nature, to enforce the rights and protect the interests of the stockholders, and to bring about the adoption of a plan of reorganization of said Company.

EIGHTH.—The Committee agrees that it will exercise the powers herein conferred in such manner as in its judgment shall be for the best interests of the stockholders, parties hereto. And it is expressly understood that no member of the Committee shall be liable for the act of any other member, or shall incur any personal liability, except for his own willful misconduct. This agreement may be executed in duplicate, and all counterparts hereof shall be read together as one original instrument.

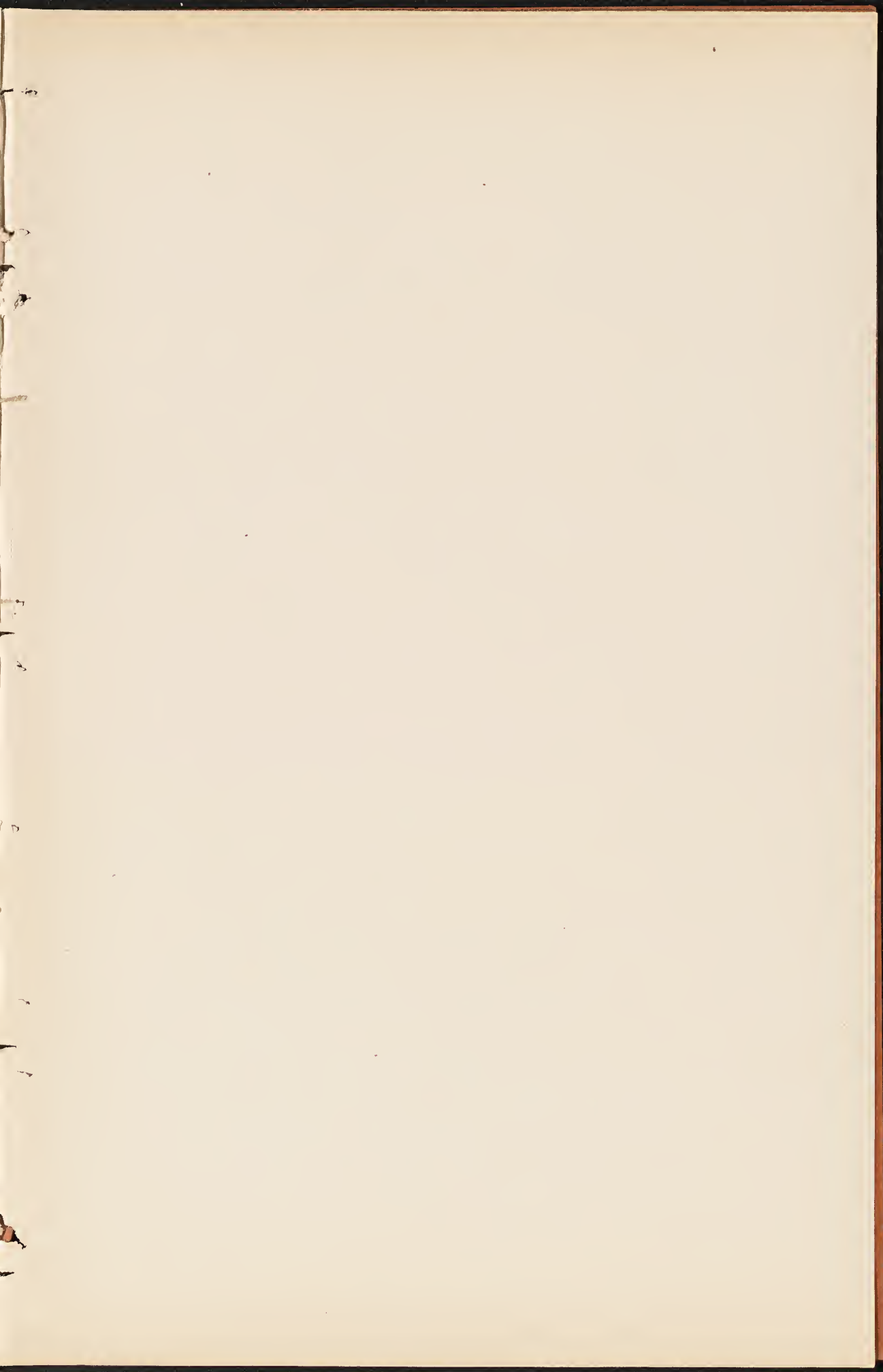
NINTH.—In case this agreement shall be terminated otherwise than by the adoption and carrying into effect of a plan of reorganization of said Company, the Committee



may present to and file with the president for the time being of either the Central Trust Company of New York or the Mercantile Trust Company of New York or the Union Trust Company of New York an account of its proceedings, showing its receipts and expenditures of money, and such account shall be audited and approved by the president of either one of said Trust Companies, and thereupon the said Committee and each and every member thereof shall be and become forever discharged from all liability or accountability for or by reason of this agreement or any act or acts done hereunder.

TENTH.—All stockholders depositing stock and receiving certificates of the Central Trust Company therefor shall be deemed to be parties to this agreement as fully and completely as though they had personally signed the same.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

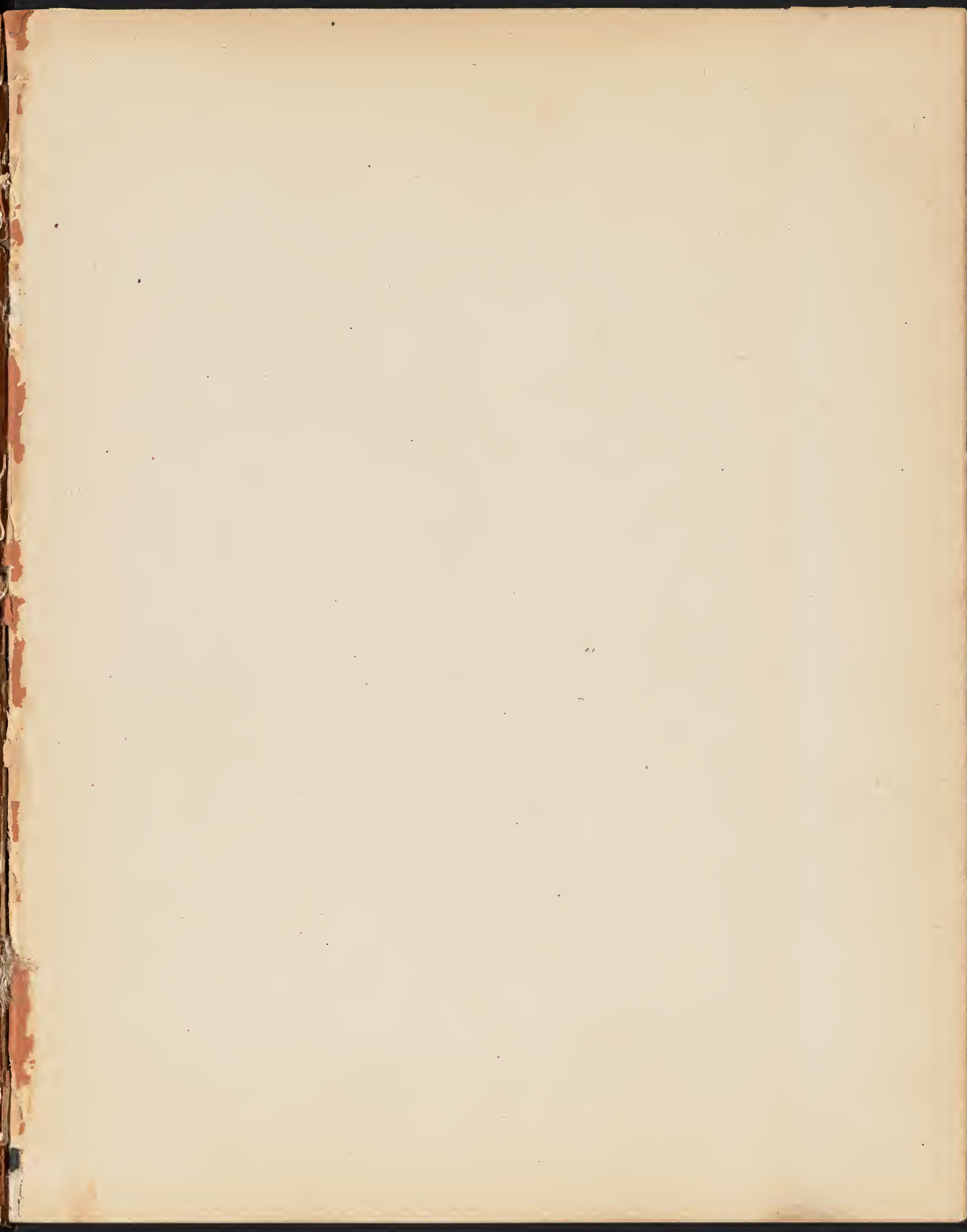




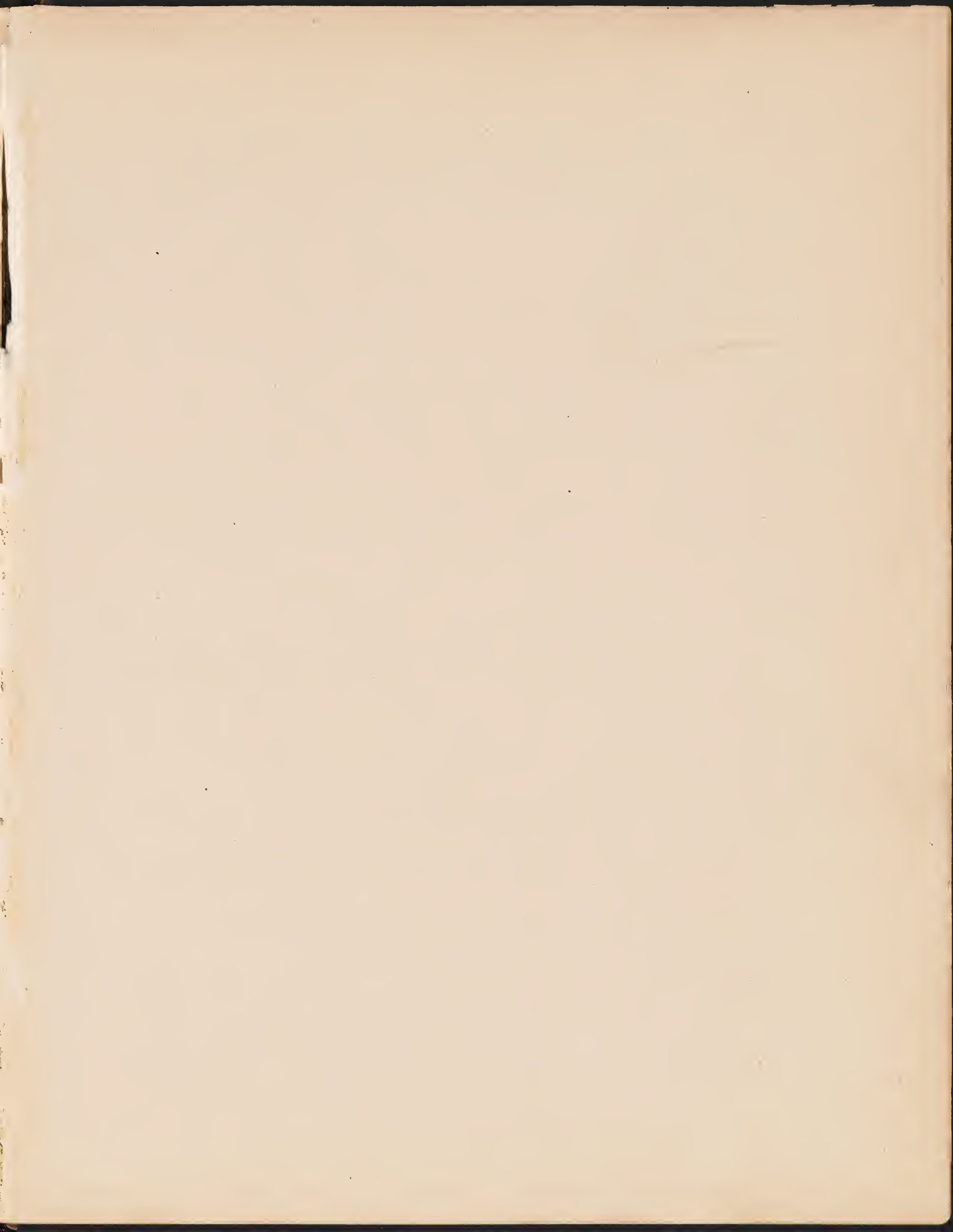














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